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Coffee Powerhouses: Utilizing PR and Marketing

Laina Pisano
Syracuse University

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Coffee Powerhouses: Utilizing PR and Marketing

A Capstone Project Submitted in Partial Fulfillment of the
Requirements of the Renée Crown University Honors Program
at Syracuse University

Candidate for B.S. Degree
and Renée Crown University Honors
May 2017

Honors Capstone Project in Public Relations and Marketing

Project Advisor: _____
Dr. Hua Jiang

Capstone Project Reader: _____
Professor Maria Russell

Honors Director: _____
Ms. Kate Hanson

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Abstract

Over the past few decades, a cup of morning coffee has transformed from a simple supplement, with cream and a dash of sugar, to a daily necessity, luxury and investment. In fact, consumers spent over \$74.2 billion on coffee in 2015 alone (The Economic Impact of the Coffee Industry, 2016). Within this billion-dollar industry, a combined 4.3 billion cups are purchased from two coffee powerhouses, Dunkin' Donuts and Starbucks Coffee (Lepore, 2011). These industry tycoons can be found brewing beans all day long, serving their daily out-the-door lines of loyal, eager customers. This capstone will take readers on a journey through the history of the coffee bean, the exploding popularity of the coffee shop, the eventual rise of the coffee industry's two major players, and provide an in-depth analysis of the core promotional and business principles utilized by Starbucks and Dunkin' Donuts in appealing to their target audiences. Grab your favorite coffee brew, sit back and enjoy this detailed behind-the-scenes look at why you may prefer one latte over another.

Executive Summary

After four years as a college student, I have written my fair share of papers. I have studied for my fair share of exams. And arguably most importantly, I have had my fair share of coffee. For myself and many others across the globe, coffee time is a diurnal endeavor, etched permanently into the morning routine. We could make coffee at home, but the aspiring luxury of purchasing a warm, creamy specialty coffee beverage from our favorite coffeehouse seems so much more desirable-- and definitely worth the time and the three dollars we will have to shell out. As I drink my seemingly overpriced almond milk latte, curiosity jolts within me. How has a traditionally simple commodity transformed into a near \$75 billion dollar industry, national phenomenon, and basic human need that over 83% of the population indulges in? Which coffeehouses are the most important players among the industry? More importantly, how have the backbones of communications and marketing played a role in this coffee revival?

As a public relations major, a marketing minor, and self-acclaimed coffee fanatic, I set out to answer these questions through extensive research and writing for my Renée Crown Honors Program Senior Capstone. I conducted a large literature review of the history of the coffee industry to understand the increasing popularity of coffee consumption and the foundation of coffee shops as social places. From here, I discovered that two coffee restaurants, which I have deemed “coffee powerhouses” throughout this paper, pioneer the coffee market in terms of both revenue and promotional strategy. The two companies, Starbucks and Dunkin’ Donuts, control over half of the coffee industry. Though they boast similar coffee products at times,

the two have vastly different approaches to business, marketing, and communications that deeply influence their relationships with their target markets.

The landscape of the communications industry has been changing, as the traditional communications and marketing disciplines become more and more converged and cross-functional. Thus, I found it necessary to study many communicative disciplines used by each company, including public relations, marketing, advertising, and branding, in order to fully understand the scope of how coffee companies attract and manage their customers. I analyzed Starbucks and Dunkin' Donuts history, promotional tactics, and financial status through this lens of integrated communication strategy. I conducted two interviews of industry professionals, one working for each brand, to gain internal insight and outlook for the future of each company. Additionally, I dissected six annual reports to understand the full scope each company's initiatives and be able to make valid recommendations.

Over the past year of focusing on this project, I have recognized that there are many factors a coffee drinker takes into account before making a purchase. Price, location, and taste all matter greatly, but the behind-the-scenes work of promotion and marketing form brand perceptions in consumers' minds, which ultimately sways their coffeehouse preference and loyalty to a brand.

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Chapter 1

I. Introduction

More than ever, the communications industry has profound influence on the purchase intentions of today's consumer. The work of public relations, marketing, and branding is seen across all media channels and warrants the sale of the product by selling a story, raising awareness, and shaping the public's perception. I have always been intrigued by the promotion of one such commodity that, especially in recent years, has proved itself to be an incredibly important industry. This product is influenced not only by price and taste, but is specifically distinguishable through the ways in which it is marketed and promoted. This product is coffee.

Coffee pumps through the veins of America. Many look to the beverage for energy and motivation as they move through the daily motions of school, work, and life. Classified as an "affordable luxury," coffee is now one of the most popular food industries, raking in a near \$75 billion dollars a year (Fernau, 2013). Purchasing coffee at a coffee shop is a simple, inexpensive way to indulge without sacrificing time or a diet. Some view it as a quick morning task to accomplish on the way to work, for others it is a daily ritual where one can be lost in the aroma of the coffee shop. Coffee motivates a high school student to study for his SATs, helps a college student cram for finals, unites an office for a weekly meeting, and even caffeinates the politicians that run the country. Coffee may not be a life or death topic, but there is no denying that it is a very important business.

Whether one prefers coffee, tea, or even no caffeine at all, chances are that the brand names “Starbucks Coffee” and “Dunkin’ Donuts” are familiar. Not only do these two brands dominate the coffee industry by thriving on the convenience of the “coffee-run”, but each coffee powerhouse has actually helped create the “affordable luxury” product category all in itself. However, though similar in product development and distribution processes, the two brands are very different in the ways they market and promote their coffee products. It’s common verbiage to hear one say “I’m a Starbucks person” or “I only drink ‘Dunkin.’” How in 2017 has this become such a popular topic of conversation? This capstone will set out to dissect the meaning behind commercial coffee shops and what they offer to the consumer, furthermore supporting the hypothesis that price, taste, and location are important but communications and marketing assist brands in developing their dedicated followings and building brand equity.

II. The Importance of Communications

Upon completing my capstone, I hope to further understand how companies build strong, perpetual relationships with their target consumers in order to fully understand the business-to-customer rapport, an industry I aspire to develop a career in. Furthermore, I truly hope to prove that having strong communication and promotion strategy is essential to financial success in today’s market. The behind-the-scenes work of integrated communication and marketing greatly influences these customer perceptions of a brand’s reputation- whether it is a social media campaign, the color of a logo, or even right down to the conversation a company employee has with a customer. I want to demonstrate the importance of the communication industry while simultaneously investigating the why,

what, and how behind each coffee brand's financial success, strong customer loyalty, and public relations and marketing efforts.

III. Methodology

The methodology behind this project consists of secondary research on the history of the coffee shop, the history of each company, the tactics behind the concept of branding, and the public relations and marketing efforts each brand has utilized. These efforts include case studies, social media, campaigns, branding, PR, and marketing. I have dissected both online and print research materials in order to provide an in-depth examination of the coffee industry and its important companies. In addition, interviews of professionals in the field have been conducted to understand an internal perspective of the communications strategies of each company. Lastly, I compared and contrasted the fiscal reports for both brands for the years 2013, 2014, and 2015.

The vast majority of research will be focused on the Starbucks and Dunkin' Donuts coffee chains located in the United States, because approximately 80% of each brand's revenues derive from their American locations rather than coffee stores around the world (Downie, 2016).

IV. Overview of the Disciplines

With the rise of technology, the 24-hour news cycle, and the constant flow of information, the marketing and communications industries have evolved and progressed greatly in the past 20 years. While there were previously clear distinctions between the disciplines of marketing, public relations, and advertising, the creation and maintenance of an integrated communication strategy across multiple platforms has escalated in

popularity as discount stores and constant price promotions make it difficult for brands to develop strong brand equity. Now more than ever, consumers take an absolute abundance of factors in to account when making a purchase decision. According to The American Marketing Association, “brand name, price, physical appearance, and retail reputation” all act as “signals of product quality” that lead a consumer to prefer one brand or company over another when dealing with similar products (Dawar & Parker, 1994). Each of these characteristics are covered by the communications and business functions of public relations, marketing, advertising, and branding, and all will be discussed throughout this thesis.

Public Relations (PR) is defined as “strategic communication process that builds mutually beneficial relationships between organizations and their publics” (*What is Public Relations?*). This management function serves to maintain a positive reputation among a company’s or brand’s target audiences, with two-way communication occurring regularly. Similarly, marketing also involves communication with the target publics, but is specifically defined as “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives,” (Belch, G. & Belch, M., 2003). Advertising involves the buying of media space and time for persuasive messaging and can also include various signage and graphic design choices (Talflinger, 2016.)

One important aspect that pulls strategies from each of the above disciplines is the concept of branding. Though a somewhat newly coined term, developing brand value by utilizing symbols, icons, terms, and design has been around since the rise in the importance of company promotion itself (Patton, 1995). This can include a brand’s name,

colors, and iconography. In developing consistent and repetitive brand visuals and key messages, customers develop positive associations with a company or product in order to differentiate from competitors and be seen as higher quality, and thus the better commodity choice (Mudambi, 1997).

With simply so many product options in today's consumer marketplace, branding is vital in building brand loyalty among companies, especially in the coffee industry when products are often similar in taste and availability. As we will examine later, these promotional tools play a key role in the promotional efforts behind coffee powerhouses Dunkin' Donuts and Starbucks and how each company adjusts their reputable brand identities to fit their respective target markets.

V. History of Coffee + the Coffee Shop

It is important to delve into the history of the little coffee bean before exploring the realms of the large industry it has become. Though experts are not accurately aware of who or how coffee was discovered, scientists are able to track the birthplace of the coffee bean to Ethiopia (Pendergrast, 3.) Ancient Ethiopian legend tells the story of Kaldi the goatherd finding his goats excitedly dancing about after eating the mysterious berries from an unknown type of tree. Kaldi then eats some of the berries and is soon feeling the affect of caffeine and galloping along with his goats (Pendergrast, 5.) The Ethiopians developed different methods of brewing and fermenting the beans for consumption, and the drink eventually spread throughout the lands surrounding the Red Sea by means of trade (Pendergrast, 5.) While at first only the elite used the coffee beverage for medicinal purposes and even religious rituals, the drink became a diurnal part of life. In order for the "general" people to access the highly acclaimed luxury, coffeehouses known as

“*kaveh kanes*” began to be established (Pendergrast, 6.) According to *Uncommon Grounds*, coffee and the coffeehouse provided an “intellectual stimulant” to help humans engage in “conversation, entertainment, and business” even as far back as the late 800s (Pendergrast, 7.) From here the coffee bean moved over to the Western Hemisphere throughout colonization and trade routes and was eventually discovered by the Europeans. While coffee here began also as a “medicinal drink” for the rich society, coffeehouses were built in European countries soon after to allow all societal classes access to the beverage. With the onset of European coffeehouses in 1680, coffee expert Mark Pendergrast says the drink “became synonymous with relaxed companionship, animated conversation, and tasty food,” (8.) As this new commodity moved through Italy, Britain, France, and Austria, people learned the different methods of brewing and roasting the bean, and experimented with additives such as milk (Pendergrast, 9-10.) It may seem rudimentary that for the first time in history, both men and women could meet in public to simply engage in conversation. However, this concept transformed the social human experience, with coffee at the heart of it.

As this paper will focus mostly on the business impact of Dunkin’ Donuts and Starbucks in America, it is important to highlight the transfer of coffee to America. Great Britain caught on to coffee quite quickly with more than 2000 coffeehouses by the year 1700 in London alone, even though Britain primarily preferred tea (Pendergrast, 12.) Once the mother country colonized America, many of the consumer products and lifestyle aspects popular in Britain carried over to this new territory. Half a century after colonization, the first American coffee shop was founded in Boston in 1689 (Pendergrast, 13.) Once the Boston Tea Party occurred in 1773, it became “American patriotic duty”

for colonies to eliminate tea and thus the popularity of coffee skyrocketed (Pendergrast, 13.) Coffee houses that doubled as alehouses began to spring up all over the colonies. One such coffee house, the Boston Green Dragon, has documentation that it served some of the Revolution's primary characters such as Paul Revere and John Adams (Pendergrast, 14.) The first industrial coffee roaster was invented shortly after the Civil War, and the "Capitalistic Gilded Age" brought new inventions such as the "railroad, telegraph, and steamship" which helped "revolutionize distribution and communication," (Pendergrast, xvii.) After World War II, "coffee consumption in the US reached a plateau," however was saved by an increase in "specialized knowledge of coffee" and then caused coffee to become associated with "signs of distinction and connoisseurship" (Khamis, 2012). Brands began to be developed and advertising campaigns became a norm. As time went on and America progressed, coffee wove itself into American culture, becoming a full commercial product, irreplaceable commodity, and "beverage of choice" (Pendergrast, xvii.)

According to coffee expert Mark Pendergrast, the country is currently experiencing a "coffee revival" involving a cult-like "coffee culture." Coffee roasting and blending has truly transformed into an art form, with new specialty coffee drinks being created each year. Many people have shifted from brewing the beverage at home to swinging by a coffee shop and purchasing a specialty coffee, causing the coffee market to truly explode. Gone are the days when Folger's Blend and half-and-half were enough, as consumers demand more coffee satisfaction today. The coffee experience is no longer just about "production" but rather about "consumption," transforming into a "contemporary cultural and social habit," (Adams & Brien, 2012). In becoming a cultural

habit, there are now over 400 billion cups of coffee consumed each year in the United States alone (Adams & Brien, 2012). Coffee has truly become a “lifestyle decision” (Masterson, 1993).

With the rise of the specialty coffee market, which coincided with the explosion of the Internet, there are now websites, blogs, Instagram accounts, books, documentaries, and songs all dedicated to the beverage and its industry. Pop culture television shows such as *Friends* and *Gilmore Girls*’ entire plot lines are based around the drinking of coffee and its way of bringing communities together. According to the National Coffee Association, coffee is now the most consumed beverage in the country, surpassing tap water. In fact, consumers spent over \$74.2 billion on coffee in 2015 (The Economic Impact of the Coffee Industry, 2016). Coffee chains and small cafes alike honor the beverage and have helped turn coffee into an aspirational lifestyle. Some theorists call the coffee shop the “third place,” which entails a “social hub” where social interaction, enlightened conversation, and creativity meet in the form of a “café space,” (Adams & Brien, 2012).

While the characteristic one-of-a-kind coffee shops are scattered across the country caffeinated their local neighborhoods, the two mainstream market leaders, Starbucks and Dunkin’ Donuts, dominate the convenient coffee industry. Deemed the “Red Sox and Yankees of coffee places,” both companies have centered their businesses on serving coffee to consumers, and currently have power of over half the coffee industry (Champagne & Iezzi, 2014). In fact, the two brands were even used to track overall consumer purchasing patterns during the 2009 recession (Izzo, 2010). Economist Steve Blitz claims that the “telltale” indicator of “how consumers feel about employment,

income and the future is where they buy their coffee and whether they step up for the more expensive concoction” (Izzo, 2010). Studies have shown that even in the recession, coffee is still a daily, necessary purchase for most Americans (Izzo, 2010). Though the two coffee powerhouses promote and market similar products, each brand has a different business model, positioning strategy, and promotional methods.

This project will explore how industry frontrunners Starbucks and Dunkin’ Donuts market their products using public relations, new media, and innovative strategic communication to turn coffee into an experience that has caused the industry to skyrocket into a multi-billion dollar business.

Chapter Two

VI. Dunkin' Donuts Background

The first Dunkin' Donuts franchise was founded in 1950 by Bill Rosenberg in Quincy, Massachusetts. From the start, the purpose of the restaurants was to “make and serve the freshest, most delicious coffee and donuts quickly and courteously in modern, well-merchandised stores,” (Dunkin' Donuts History, 2017). What began as a quick stop to buy a cup of coffee for ten cents and a donut for five cents soon blossomed into a fairly large franchise, with Rosenberg and team opening 100 stores in the company's first ten years. As the brand progressed, the menu was enhanced to include specialty coffee drinks and a variety of baked goods (Dunkin' Donuts History, 2017). Since its inception, Dunkin' Donuts has opened over 11,700 stores across the world and serves an astonishing “1.9 billion cups of hot and iced coffee every year” (Dunkin' Donuts History, 2017).

Accompanying the company's successful coffee and baked goods were also successful marketing and promotional strategies. In the early 80s, Dunkin' Donuts crafted its Fred The Baker character played by actor Michael Vale. Fred The Baker acted as the brand's advertising “mascot,” featured in over 200 commercials between 1983-1997 (Schulder, 2005). The Dunkin' Donuts marketing team wanted it to seem as though Fred the Baker “had the weight of the world on his shoulders” and “wore the burden of a man who had millions of Americans depending on him each and every morning for their fresh doughnut and coffee,” (Schulder, 2005). His catchphrase, “Time to make the donuts,” has been deemed “one of the most famous ad lines of all time” (Champagne and Iezzi, 2014). By creating a relatable and recognizable character, the brand received lots of press for its

lovable advertising star. According to Ron Berger, Dunkin' Donut's previous head copywriter, Fred the Baker was the symbol of a common worker's "routine" of waking up and going to a job. By associating its coffee and baked goods with this marketing character, Dunkin' Donuts was associating itself with the American morning routine and developing a mass fan base.

Once the Fred the Baker advertisements were exhausted and eventually retired, Dunkin' Donuts needed yet another successful promotional campaign to establish itself as a daily necessity for all Americans. Following the 2003 release of "a new line of espressos, lattes and cappuccinos," Dunkin' Donuts launched its famous "America Runs on Dunkin'" PR and marketing campaign across multiple platforms in 2006 (Champagne and Iezzi, 2014). This campaign served to declare the company as "coffee-centric" and attempted to establish Dunkin' Donuts as more of a beverage business than a baked goods and donuts company (Champagne and Iezzi, 2014). Dunkin' Donuts described the new advertisements as "fun and quirky celebrations" of life's work and play, that are ideally "accompanied every step of the way by Dunkin' Donuts," (Dunkin' Brands Media Relations, 2006). The goal of the multi-million dollar campaign was to reposition the brand as the go-to for convenient, affordable coffee and food that can keep Americans "fueled" and moving throughout the day (Dunkin' Brands Media Relations, 2006). However, beyond the communication goals of the campaign, the company aspired to triple its size within the next ten years (Dunkin' Brands Media Relations, 2006). Financial success was further ensured when the Dunkin' Donuts parent company, Dunkin' Brands, went public in July 2011 and share prices shockingly exceeded the "initial public offering price" by 46 percent (Dunkin' Donuts History, 2017).

There is no doubt Dunkin' Donuts victory in placing itself at the top of the commercial coffee market and positioning itself as an American fast-food staple. The company still hopes to continue to grow its number of restaurants and expand its coffee products throughout the long-term (Dunkin' Donuts History, 2017).

VII. Starbucks Coffee Background

A little over 20 years after the first Dunkin' Donuts restaurant was opened in Massachusetts, a small coffee store called Starbucks was opened across the country in Seattle, Washington in the Pike Place Market. The store was founded by Jerry Baldwin, Zev Siegl and Gordon Bowker, who all met while studying at the University of San Francisco in 1971. Though just a small Seattle store, the founders strived to serve the most gourmet coffee beans and establish a true connection with its customers (Starbucks Company Information, 2017). The true Starbucks brand was not born until director of retail operations, Howard Schultz, traveled to Italy and learned about Italian espresso bars. In Italy, coffee is very much a lifestyle. When Italians leave their homes in the morning, they stop at a coffee bar to enjoy a cappuccino or espresso before the workday begins. This tradition involves conversation among both strangers and friends, catching up on the news, and a rejuvenation of the self. Italian coffee bars plays music, serves small baked goods, and offers a space to relax outside of the home. Schultz returned to the Seattle hoping to recreate the "coffeehouse culture" he observed in Italy (Starbucks Company Timeline, 2017). In 1984, the first Starbucks Caffè Latte was made at the new Starbucks coffee shop in Seattle (Starbucks Company Timeline, 2017). From here, Starbucks became more than just a coffee store with a Moby Dick namesake and mermaid logo. By 1990, the popularity of the Starbucks Coffee Shops had expanded, and

the company established 84 stores. Over the next few years, the brand released more specialty coffee products that eventually became menu staples, such as the “Frappuccino” (Starbucks Company Timeline, 2017). Starbucks’ popularity skyrocketed, as did its number of retail stores. By 2005, Starbucks had founded 10,241 coffee shops, and by 2015, had opened 22,519 total stores (Starbucks Company Timeline, 2017).

The company’s updated mission statement is “To inspire and nurture the human spirit-- one person, one cup and one neighborhood at a time” (Starbucks Company Information, 2017). The origination of the Starbucks brand in a local Seattle neighborhood reflects the company’s value of community, a value the brand has kept despite becoming a massive retail chain. The “romance of the coffee experience” has inspired Starbucks’ every business and marketing decision. The company even describes itself as “passionate purveyors of coffee.” Each Starbucks embodies an inviting coffee aroma, calming music, and artistic design to develop a homey aesthetic and mood. In its near 50 years of serving coffee, Starbucks has truly imbedded itself into the “daily routine” of people around the world, becoming a “third place between work and home” where patrons gather to enjoy cups of “premium” coffee in a peaceful manner (Starbucks Company Information, 2017).

Chapter Three

VIII. Comparing Business Models + Core Tactics

While it may seem that Dunkin' Donuts and Starbucks are similar in industry and product, the differences between the two companies' business models and core tactics are astounding. In fact, the two brands were not in true strong competition until 2006, when Dunkin' Donuts "declared its intention to go head-to-head with Starbucks" by focusing its efforts on its beverages with an advertisement that made fun of Starbucks' coffee menu, joking that the drinks were listed in "Fritalian" followed by a statement from the company's CFO that Dunkin' Donuts was indeed "a beverage company," (Champagne and Iezzi, 2014). After conducting extensive research about the companies' central characteristics and marketing models, it is evident that the most distinct differences between the two involve the way in which Starbucks positions itself as an upscale destination for coffee, while Dunkin' Donuts focuses on providing the fastest service and lower prices. The four core tactics the companies utilize to specifically position their brands are store environment, price, target audience, and brand identity.

Core Tactic 1: Store Environment

Writer Linda Tischler conducted a scientific study to compare the two coffee retailers by ordering the same beverage, timing the production, and recording the price. After repeating this for several weeks, it was clear that the service at Dunkin' Donuts was much faster. Though speed can depend on time of day and location of retail store, Dunkin' Donuts focuses on making a customer's drink as fast as possible, and most locations also have a drive-thru option. The outcome of this study highlights Dunkin' Donuts positioning motive, displaying to its audiences' that it is the faster coffee option.

According to *Fast Company*, Dunkin' Donuts is notorious for its fast service, with coffee machines that brew specialty beverages in about 44 seconds (Tischler, 2004). Dunkin' Donuts vice president of marketing deems this the “get 'em in, sell 'em coffee and a snack and get 'em out” approach (Tischler, 2004). Dunkin' has chosen to “leave the fancy CD-burning stations, moody lighting, and comfy chairs to the competition,” or more specifically, Starbucks (Tischler, 2004).

One of Starbucks core principles is to provide an atmosphere that parallels the fancy coffee drinks it serves. By providing “a welcoming amalgam of aromas, music, furniture, textures, literature and free Wi-Fi” Starbucks creates an inviting “home away from home” that has hereafter “transformed the café experience” (Khamis, 2012). The dimmed lighting and soft music contrasts with the bright white interior of the country's average Dunkin' Donuts, in which coffee specialists call more of a “hit-and-run” coffee place (Tischler, 2004). In this way, the Starbucks experience can be seen as “self-nurturing” and a “soothing place to re-energize,” a stark difference to what experts deem Dunkin' Donuts coffee as “a cheap fatigue-fighting drug” that merely satisfies “the urgent need for revival,” (Tischler, 2004.) In an interview with Dunkin' Donuts public relations account associate Jessica Goldstone, Dunkin' customers are very “on-the-go and busy” that want to “get their coffee and be on their way,” and thus many Dunkin' Donuts do not boast seats or furniture (J. Goldstone, personal communication, June 23, 2016). However, Dunkin' Donuts prides themselves on offering a “friendly atmosphere” that includes “welcoming and colorful marketing visuals, such as vivid menu boards, menus and menu holders,” (Dunkin' Brands, 2015).

In addition to Starbucks forming a comfortable space that promotes conversation in addition to serving what are considered “upscale” coffees with “premium” coffee beans, the company also places emphasis on excellent customer service. After conducting research on Starbucks for over two years, author Joseph Michelli writes in his book, *The Starbucks Experience*, that to the company, every detail of the Starbucks-to-customer selling process matters, (Michelli, 2007). Starbucks encourages its employees to remember customer names and drink orders, provide assistance whenever needed, and putting the customers’ needs before the employees,’ whom are called “partners” (Michelli, 2007). Over the years, Starbucks has attained a very positive reputation for strong customer service, at times distributing free calming tea on Tax Day, accompanying injured customers to the hospital, and distributing free samples of new products (Michelli, 2007). CEO Howard Schultz often says that Starbucks is “in the people business serving coffee, not in the coffee business serving people” (Michelli, 2007). Dunkin’ Donuts’ quick service mantra and coffee that fits everyone’s needs fits more of the “coffee business serving people” segment.

Core Tactic 2: Price

As American consumers, price is one of the most important characteristics behind our purchase decisions. In fact, according to market research company NPG Group, an astonishing 85% of Americans report that price is the most important factor for shopping and making food purchases.

The average cost of a single trip to a “nationally recognized coffeehouse” is about \$3.25 (Gregg, 2012). However, in Linda Tischler’s study comparing the same coffee purchase at Dunkin’ Donuts and Starbucks repeatedly for several weeks found that

Dunkin' Donuts coffees were “about 40% less than the price of a Starbucks coffee” (Tischler, 2004). It does not take a scientific study to recognize that Starbucks' prices are clearly much higher than Dunkin' Donuts', with Starbucks prices easily crossing the \$5 mark should a consumer want his or her drink customized. Starbucks offers all the bells and whistles, and while Dunkin' Donuts has begun to do the same, Starbucks is still able to charge high prices because of its strong brand name and brand experience.

It was found that even during the 2009 recession coffee purchases hardly plummeted, though the price customers were willing to pay dropped (Lim, 2014). Starbucks announced “price hikes” twice in 2013, yet sales remained high because Starbucks customers “cherished the brand enough to pay up, even in a so-so economy,” (Lim, 2014). Starbucks customers are consistently willing to buy in to the brand experience. This brand loyalty will be discussed further when examining each company's brand identity.

Core Tactic 3: Target Audience

One of the main positioning differences among the two coffee frontrunners are the audiences they actively strive to reach with their promotional elements and ultimately transform into customers. Dunkin' Donuts is much more inclusive than Starbucks and attempts to provide reasonably priced coffee for all Americans. According to *Fast Company*, Dunkin' Donuts “caters to working and middle-class households” (Lim 2014). Jessica Goldstone, a PR account associate working with Dunkin' Donuts, claims that the brand “does not want to alienate any demographic” and attempts to “target everyone” (J. Goldstone, personal communication, June 23, 2016). The company instead designs its new product launches around trying to reach a new demographic or market, but the brand

is very much the “people’s” coffee by keeping products simple and prices relatively low (J. Goldstone, personal communication, June 23, 2016). In order to effectively reach its key consumers, Dunkin’ Donuts focuses on communication outlets such as ESPN, The Oprah Winfrey Network, Mom Central, Remember the Milk, and Woobox for its news placements and advertisements (Leist, 2013).

On the contrary, the Starbucks target market has been called “affluent” and “white-collar” (Tischler, 2004). According to *Forbes*, the company strives to reach “high income people with a taste for good quality luxury coffee” which is also evident by its higher prices (Team, 2014). The ages of its target market vary, with young adults age 18-24 making up 40% of its sales and adults aged 25-40 as 49% of its market (O’Farrell, 2015). This target audience wants to “connect to a certain culture” by choosing to purchase Starbucks (Millman, 2011).

One TrueLens analysis of the two markets described Dunkin’ Donuts coffee drinkers as “social moms, sports fanatics, family travelers” while Starbucks was deemed as “college age, early adopters, music enthusiasts” (Champagne and Iezzi, 2014). When designing public relations campaigns and marketing their products, both brands choose specific promotional outlets and strategic positioning to ensure that these target audiences, however one wants to describe them, are being reached and ultimately, persuaded to purchase the product.

Core Tactic 4: Brand Identity + Loyalty

Brand name is incredibly important in today’s competitive consumer marketplace. According to Stanley Hainsworth, former vice president of global creative at Starbucks, a “brand” is “an entity that engenders an emotional connection with a consumer” (Millman,

2011). This emotional connection is attained when “brands repeatedly provide something that the consumer wants, desires, or needs” and when brands differentiate themselves from competitors in a way to highlight the benefits the consumer can get from said product (Millman, 2011).

Starbucks is considered one of the “best-positioned brands on the planet” for truly capturing the “magic” of the coffee experience, beyond its product (Kramer, 1998). For Starbucks, the brand differentiators are the idea that its beverages are “handcrafted, artistic, sophisticated, human, and enduring” (Millman, 2011). In developing this sense of community among Starbucks customers and shifting attention first towards brand experience and then product, the brand has created “enormous loyalty” of customers with “almost zealot-like behavior” (Millman, 2011). According to *Business Insider*, “the average Starbucks customer visits the store 6 times per month.” Even the graphic visuals and icons incorporate the sophisticated, aspirational façade Starbucks works to display, such as its signature brand color, a sophisticated forest green, and its logo and name which derive from classic novel *Moby Dick* (Appendix A). Its product design features a simple white cup adorned with only the green logo and cardboard brown sleeves. Starbucks’ logo is so well known that its name is not even needed on the product. The refined, urban Starbucks design and brand contrast greatly with the bright pink and orange brand icons of Dunkin’ Donuts. *Fast Company* deems it “the average Joe brand with its friendly pink and orange logo” (Champagne and Iezzi, 2014). The bubbly letters of the Dunkin’ logo typeface and cartoonish coffee cup display the brand’s fun, quick, and trusty atmosphere (Appendix B). Additionally, according to a Ogilvy & Mather analysis of color theory, the color orange in company logos works to energize and

rejuvenate customers, while pink signifies sweetness. Energy and sweetness are two key characteristics among Dunkin' Donuts coffee products, and their strategic integrated branding strategy reflects this (Watts, 2016).

Even the brand visuals reflect each company's business model and core positioning, with Starbucks looking to feature a distinct, chic aesthetic while Dunkin' Donuts showcases vibrant, kitschy icons.

IX. A Comparison of Promotional Campaigns/Case Studies

It is quite clear that Starbucks and Dunkin' Donuts have very distinct marketing and public relations techniques. While Starbucks strives for “a more word-of-mouth-driven, holistic brand” known for its quality product and positive customer experience rather than traditional promotion; Dunkin' Donuts opts for heavy advertising that has “been adapting for a changed market” to include customer interaction on social media (Champagne and Iezzi, 2014). However, there is no right or wrong way to market coffee. Both companies' marketing styles and approaches have “proved very effective in the long term” and each brand “continues to grow and remain relevant” (Champagne and Iezzi, 2014). Financially, Starbucks is placed at an \$80 million market value, with Dunkin' Donuts at \$4 million (NASDAQ, 2017). Both show almost equal risk to the rest of the market, with betas of .85 and .89, respectively (NASDAQ, 2017). Over the past few years, Starbucks has exceeded Dunkin' Donuts' on comparable store revenues and profits, with Starbucks sales growth reaching 6% and outpacing Dunkin' Donuts' 2% financial growth (Appendix C). Though there is no seemingly public relations or marketing winner at first, it is essential to examine how both companies have used

different promotional campaigns and communication tools to appeal to their different target markets.

Social Media

In 2017, public relations and marketing cannot be discussed without putting large emphasis on social media strategy. I conducted thorough research on each brand's social media strategy by analyzing their posts and following on Twitter, Facebook, and Instagram, as well as looking at a few specific campaigns.

On Instagram, Starbucks utilized artistic imagery and creative photography in all of its posts. Its 13 million followers get a glimpse of the Starbucks lifestyle, with aesthetic Instagram photos showcasing crafted lattes amongst artsy flat-lays. Starbucks' Instagram feed featured earthy color tones and homey imagery, reflecting the mood its cafes often set (Appendix D). While Starbucks Instagram features animations and its own photos, Dunkin' Donuts Instagram posts are mostly photos reposted from its customers. The Dunkin' Donuts Instagram feed offers a colorful, fun aesthetic, much like its logo, other brand visuals, and overall company value of being friendly, inclusive, and fun (Appendix E). Dunkin' has one million Instagram followers. By comparing the two Instagram feeds, one can tell that Dunkin' Donuts attempts to appeal to a younger crowd by utilizing fun and flamboyant photos, while Starbucks works to produce a sophisticated, affluent look with artistic images.

On Twitter, Starbucks has 11.8 million followers and Dunkin' Donuts has 1.13 million. Starbucks posts its Instagram photos on Twitter with similar captions, and often utilizes different hashtags. The company offers "Pro-Tips" to its audience to highlight secret menu items and advice on season staples. In addition to promoting new beverages

and campaigns, Starbucks regularly engages with customers on Twitter, responding to compliments from customers using phrases like “There’s magic in every sip” and “When you smile, we smile even bigger.” Comparably, most of Dunkin’ Donuts replies were crisis management and customer-service related, working to resolve unhappy customers with their coffee and donut problems. While the language on Starbucks Twitter account was very much reflective of the “romance” of its brand, Dunkin’ Donuts’ responses were more automated, direct, and apologetic, with the occasional “Enjoy!” response to a pleased customer. Additionally, many of the Dunkin’ Donuts tweets were about sports teams.

Dunkin’ Donuts usage of user-generated content displays its desire to connect and engage with its consumers. This strategy was implemented in 2010, when Dunkin’ Donuts sought out PR firm RF|Binder to help “demonstrate the unique fun personality of the Dunkin’ Donuts brand through creative programming” that included online promotions and “keeping coffee in the spotlight” on social media channels (Report, 2011). Using social media such as Twitter, Instagram, and Facebook, Dunkin’ Donuts regularly engages with fans and influencers. For example, in 2010 Dunkin’ Donuts launched a nation-wide online campaign titled “Create Dunkin’s Next Donut” (Report, 2011). Along with the social media posts for the contest, Dunkin’ Donuts “created a movie trailer-style video...to generate interest” and inform its market that the winner of the contest not only would see that donut in stores across the country, but would also walk away with a monetary prize of \$12,000 (Report, 2011). Another example includes the National Coffee Day Facebook contest, in which Dunkin’ Donuts awarded the

“person most passionate about drinking Dunkin’ Donuts coffee” with 5 years of free coffee and a trip to visit one of the company’s Costa Rican coffee farms (Report, 2011).

Starbucks did not run its first television advertisement until 2007 because the top management did not believe the brand needed “traditional advertising” (York, 2007). Though slower to adapt, Starbucks has developed a specific social media strategy. Like Dunkin’ Donuts, the brand has attempted to engage with its target audience via social media promotions and contests. For example, in 2012 Starbucks launched a Pumpkin Spiced Latte contest in which cities across the United States earned points by playing online games. The city with the most accumulated points received the coveted Pumpkin Spiced Latte at its Starbucks locations “earlier than the rest of the country” (Waldman, 2012). As this example shows, Starbucks is consistently working to promote its brand as exclusive and premium while also rewarding customer loyalists.

Despite both brands gaining large followings on social media, a TrueLens study that analyzed over 9 million social media impressions found that both Starbucks and Dunkin’ Donuts coffee drinkers talk about Starbucks more. In fact, Dunkin’ Donuts customers mention Starbucks “almost 60% of the time they mention the name of a coffee brand” (Leist, 2013). Comparably, Starbucks drinkers only mention Dunkin’ Donuts 2.4% of the time, while talking about “drinking and craving” Starbucks 87.9% of the time (Leist, 2013). Infographics detailing this information can be found in Appendix F. This displays Starbucks’ profound sense of brand loyalty backing their company.

Adapting to Technology + Trends

Building upon the base of social media, both brands have widened their scope of integrated communications and technology to mobile app ordering. In order to adhere to

“the emerging trend of customers moving towards online shopping,” Starbucks initially launched its mobile app in 2010 (Team, 2014). Since its inception, the Starbucks mobile ordering app has been a “game changer” for “enhancing the store’s efficiency and shorten waiting time” in lines, something that its competitor Dunkin’ Donuts had already mastered (Team, 2014). There are over an astonishing five million coffee and food orders placed on the Starbucks app per week, and the Starbucks Rewards program has over 12 million members (Team 2014). The mobile app also offers perks and rewards for loyal customers who go to Starbucks extremely frequently, helping develop even more brand loyalty. In response to the success of the Starbucks mobile app, Dunkin’ Donuts released its mobile ordering app and loyalty program in 2016. Dunkin’ Donuts aspired to reflect its values of “speed and convenience” with the launch of its new app that, like the Starbucks app, allows customers to order and pay for their coffees ahead of pick up time, eliminated time spent waiting in line and helping to “[reduce] mistakes,” (Taylor, 2016). Despite entering almost six years after the Starbucks mobile app, the Dunkin’ Donuts app and “DD Perks” program has over 4.6 million members (Taylor, 2016). Both apps work to reward loyal customers with deals and promotions, while also alleviating the ordering process and programming the product-to-consumer process for the future.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a commonly used PR strategy where companies focus their efforts on social issues beyond that of their business concerns. Starbucks has long committed its brand to CSR and has built it into its company mission statement. The company has on a tab on their website that it strives to “elevate [their] partners, customers, suppliers and neighbors to create positive change” in the

communities around their stores. Some of the ways Starbucks has committed itself to CSR is by sourcing ethically, providing college tuition to employees, supporting veterans, holding themselves to a high environmental standard and promoting community service. These actions are regularly promoted through news releases, advertisements, and social media. During the 2016 holiday season, Starbucks launched a promotional marketing campaign titled “Thanks to You” that showcased how customers buying their product helped over 8,000 veterans, send 6,535 baristas to college, gave 10,000 youth a job, donate 22 million trees, help farmers, and start the “pay-it-forward” trend. Furthermore, the social media posts and advertisements feature videos taken by actual employees and customers. While engaging in CSR does not lead to immediate profit, it helps form a positive reputation and brand image. According to the literature review in chapters 1 and 2, it remains clear that Starbucks has benefitted financially from its CSR and developed brand loyalty among consumers and employees.

Contrarily, Dunkin’ Donuts does not place as much prominence on CSR. On its CSR webpage, the company briefly claims to be committed to its guests as well as the planet, employees, and neighborhoods. The brand started a charity, The Joy in Childhood Foundation, dedicated to “combating childhood hunger,” however this is the only CSR related initiative it has enacted (Dunkin’ Brands, 2017).

Using PR in Product Launches: Almond Milk Case Study

Developing product launches that adhere to customer needs benefit companies and their business by bringing attention to the brand, developing newsworthy media stories, and increasing revenue. Both Starbucks and Dunkin’ Donuts have managed to adapt to creative food trends as well as add new menu items to keep up with customer

wants and needs. For example, both companies have launched almond milk in all stores over the past year. To get a grasp of how the news was articulated to the public, I studied each brand's press release informing customers of the new almond milk option. Dunkin' Donuts described the launch as a way for "guests to enjoy more options" and add unique and delicious "variety" for their coffee drinks (Dunkin' Brands, 2014), while Starbucks highlighted the fact that the company's almond milk recipe is homemade and handcrafted in order to "complement [its] hot, iced and Frappuccino® blended beverages," detailing the "light almond notes" that highlight "the roasty notes of espresso" (Starbucks Corporation, 2016). To further the inclusivity message, Dunkin' Donuts also launched a sweepstakes campaign along with its news release, encouraging customers to use the hashtag #AlmonDDmilk on Twitter to win gift cards and cash prizes.

Though Dunkin' Donuts was quicker to adapt to the dairy-free food trend circulating the industry, Starbucks added almond milk soon after. Both companies announced that almond milk would be available in all stores during summer 2016, and both charge an extra price for the addition of almond milk. Dunkin' Donuts charges 50 cents and Starbucks charges 60 cents.

X. Discoveries + Research Questions

Moving forward after this literature review, there were three research questions that still needed to be answered. While Dunkin' Donuts was once the fastest and cheapest option for commercial coffee, my research showed that the entrance of other low-cost options into the market, such as McDonalds, have caused a shift in business. As a result, Dunkin' Donuts- with prices and quality above McDonalds but below Starbucks- was forced to the middle ground of the industry, and caused its "same-store growth pace" to

take a significant hit (Lim, 2014). Historically, the “middle ground” of the industry is usually not a desirable market location, as the majority of the market will either sway towards the cheapest option or the most premier option. Pricewise, McDonalds offers coffees from \$1-3, which overlaps with Dunkin’ Donuts’ \$2-4 range that was once deemed the “cost-sensitive” option. While Starbucks has been able to get away with raising prices in 2013 because “consumers cherished their brand enough to pay up even in a so-so economy”, Dunkin’ Donuts reported that their recent price increases have slowed store traffic and caused a 1.4% decrease in sales (Dunkin’ Donuts, 2015).

My literature review showed that Starbucks has developed a more secure reputation among consumers, with a strong social media presence, strong corporate social responsibility sector, and very clear brand identity. While Dunkin’ Donuts does possess strong brand loyalty in its hometown of New England, their recognition and presence is slightly weaker across the US. Dunkin’ Donuts boasted strong customer interaction on social media, but lacks any true direction of CSR strategy. I developed the below research questions based on my deep analysis of each brand’s PR and marketing tactics.

Research Questions:

- 1. How can Dunkin’ Donuts continue to maintain strong brand loyalty and remain a coffee industry mogul when they are no longer the cheapest coffee option on the market?**
- 2. How can Dunkin’ Donuts stay competitive with Starbucks and position themselves as a unique brand?**
- 3. What is an integrated communications strategy that can help them maintain what they’ve accomplished but also look towards the future?**

Chapter Four

XII. Recommendations

After analyzing the literature review presented in chapters 1-3, it became apparent that more data was needed to present a detailed deliverable of recommendations and implications. I conducted interviews of two industry professionals, one working in public relations and marketing at Dunkin' Donuts and one at Starbucks. Additionally, I studied the annual fiscal reports for both companies' financial performances from the past two years to collect raw data and be able to draw conclusions about the vision, strategy and future of each company.

As described in Starbucks' financial statements from the past few years, its overall objective is to "maintain Starbucks standing as one of the most recognized and respected brands in the world" by "selling the finest quality coffee, tea and related products" and providing a "unique Starbucks Experience." (Starbucks Corporation, 2013-2015). This *Starbucks Experience*, which I have discovered is the essence of the Starbucks brand, is delivered through exceptional customer service, employee relations and clean stores that "reflect the personalities of the communities in which they operate," (Starbucks Corporation, 2014). Through this strategy, Starbucks has achieved "a high degree of customer loyalty," and impressive financial performance (Starbucks Corporation, 2014). The company's consolidated revenues were \$14.9 billion in 2013, \$16.4 billion in 2014, and growing 17% to \$19.2 billion in 2015 (Starbucks Corporation, 2013-2015). Though the company has achieved financial success year after year, the brand recognized Dunkin' Donuts as high competition, writing in its recent annual reports that the "ongoing focus by large competitors in the quick-service restaurant sector

on selling high-quality specialty coffee beverages could lead to decreases in customer traffic to Starbucks® stores and/or average value per transaction adversely affecting [their] sales and results of operations” (Starbucks Corporation, 2013). In an interview with a PR account supervisor for Starbucks, it was said that both Dunkin’ Donuts and McDonalds, as well as other “indie” coffee shops, are seen as competitors for the coffee mogul, (E. Kelly, personal communication, March 1, 2017).

Comparably, Dunkin’ Donuts overall strategic objective is to “ensure [it] has the most compelling brand by offering differentiated food and beverage products at a great value, through both limited time offerings and permanent menu items,” (Dunkin’ Brands, 2013). Dunkin’ Donuts had consolidated revenues of over \$713.8 million in 2013, \$748.7 million in 2014 and \$810.9 million in 2015 (Dunkin’ Donuts, 2013-2015). In regards to comparable sales growth, Starbucks had 7% increase in store sales growth in 2013, a 6% increase in 2014, and a 7% increase in 2015. Dunkin’ Donuts fell slightly behind, with 3.4% sales growth in 2013, 5% in 2014, and 5% in 2015. Dunkin’ Donuts has been voted the top brand for consumer loyalty and customer engagement by the Brand Keys Customer Loyalty Index® for six years in a row (Dunkin’ Brands, 2015). This study evaluates coffee brands on “consistently meeting customer expectations for taste, quality, service, and brand value,” (Dunkin’ Brands, 2015).

Upon analyzing the financial status of both brands for the past three years, it is clear that Starbucks is ahead of Dunkin’ Donuts financially. This seems to be consistent when comparing each company’s strategic communication plans as well, whereas it is illustrated through Starbucks PR and branding efforts that the company spends more on marketing than Dunkin’ Donuts. In fact, Starbucks spent \$306.8 million, \$315.5 million,

and \$351.5 million in 2013, 2014, and 2015 respectively. Dunkin' Donuts claims that they spend 5% of its retail sales on promotion and marketing, and spent \$17.6 million, \$13.8 million, and \$11.6 million in 2013, 2014, and 2015, respectively. Previously, Dunkin' Donuts' promotional strategy goals included "driving comparable store sales and brand differentiation, increasing [its] total coffee and beverage sales, [and] protecting and growing their brand" (Dunkin' Donuts Corporation, 2013). However, with the rising popularity of \$1 McDonalds coffees, Dunkin' Donuts has found itself caught in the middle of the industry trying to target *all* demographics at once, which in its fiscal reports the brand deems "a difficult place to be," (Dunkin' Brands, 2014). Starbucks, however, forms unique initiatives and products to target a specific demographic group (E.Kelly, personal communication, March 1, 2017).

In order to combat McDonalds' consistently lower coffee prices, Dunkin' Donuts can boost sales and remind customers of its customer-centric brand by running price promotions. Though coffee bean prices are increasing, a matter potentially out of Dunkin' Donuts hands, lowering coffee prices for only a brief period will generate buzz and build upon Dunkin' Donuts reputation on caring about the customer and being a cheap coffee option. Additionally, I believe that some of Dunkin' Donuts messages are getting lost in the noise and are slightly too broad as a result of trying to target *everyone*. In order to generate brand enthusiasm and develop the same strength of brand loyalty the company manages with older generations, Dunkin' Donuts should target Millennials with a new promotional campaign. Millennials are the primary reason coffee consumption has skyrocketed in recent years, and 2016 data shows that Millennials are responsible for drinking 44% of all coffee in the U.S. (Perez, 2016). Buying coffee at places like Dunkin'

Donuts and Starbucks offers “status, experience and personalization,” three characteristics that Millennials love to engage with (Perez, 2016). It would be in Dunkin’ Donuts best interest to develop a campaign targeting Millennials that incorporates a novel, exciting and newsworthy coffee product, personalization and the aspirational experience that competitor Starbucks so effortlessly attains. In doing so, Dunkin’ Donuts could achieve firm fan loyalty from the millennial generation, which will only increase as this group grows older, and additionally tailor its audience in order to communicate more effectively. Furthermore, I believe Dunkin’ Donuts needs to adapt a campaign that incorporates CSR that aligns with its company values. While its efforts to help childhood hunger are great and should not be removed, adding as aspect of CSR to its brand would only enhance their reputation with the public and further customer loyalty.

In order to answer my proposed research questions and concerns, I have crafted a deliverable to Dunkin’ Donuts top executives and management that offers creative initiatives and micro-campaigns to help the brand maintain a strong reputation as a “coffee and beverage based concept” with the public in addition to staying competitive with McDonalds and Starbucks Coffee (Dunkin’ Brands, 2015). Dunkin’ Donuts has a strong foundation of successful business and customer loyalty, however I believe that its relationship with its publics could be improved even further through several promotional initiatives that support the company’s business goals.

XI. Deliverable



**RECOMMENDATIONS TO
DUNKIN' DONUTS**

Recommendations Deliverable

1. How can Dunkin' Donuts continue to maintain strong brand loyalty and remain a coffee industry mogul when they are no longer the cheapest coffee option on the market?



Run a "Summer Runs on Iced Coffee" price promotional campaign that would entail \$1 iced coffees beginning June 21 (the first day of summer) for two weeks



Promote "Summer Runs on Iced Coffee" on Twitter, Facebook, Pinterest, and Instagram as a way to say "thank you" to customers and kickoff iced coffee season



Goals:

- Show customers they are valued
- Offer promoted lower prices to boost sales and remind customers that Dunkin' Donuts is still cost-efficient
- Showcase iced coffee as main product and necessity for summer (studies show that Dunkin' Donuts customers are 3.7x more likely to talk about iced coffee on social media, dwell on this (Leist, 2013)).

Recommendations Deliverable

2. How can Dunkin' Donuts stay competitive with Starbucks and position themselves as a unique brand?



Partner with a well-known nonprofit charity such as the YMCA, Boys & Girls Club, or the Special Olympics to add an aspect of Corporate Social Responsibility to the DD brand



1. Have 10% of coffee sales go to the charity or cause

2. Allow customers to buy DD coffee that also has a social impact

3. Inform customers of the new CSR initiative via widespread dissemination (a news release, social media posts on Instagram, Facebook, and Twitter)



Goals:

- Align company values such as sports and family with an initiative that also gives back and forms a positive brand reputation for DD

Recommendations Deliverable

3. What is an integrated communications strategy that can help them maintain what they've accomplished but also look towards the future?



Tailor audience by targeting Millennials with new social media campaign, #NothinButDunkin.



1. Replace foam cup with recyclable white cup that features a new, cool design with the #NothinButDunkin hashtag on it

2. Sweepstakes component: Encourage customers to post photos of the new cup on Instagram + Twitter with hashtag for chance to win a year of free coffee (\$1000 value)

3. Record + Post a series of mini videos on Twitter and Instagram of why people drink #NothinbutDunkin to share customer stories and how they engage in coffee culture



Goals:

- Position DD as the #1 choice for customers with on-the-go lifestyle because of customizable orders and speedy service
- Engage with Millennials and show them that their voice-and their coffee-matters

Appendix A.



Appendix B.



Appendix C.

(Lim, 2014).

Appendix D.

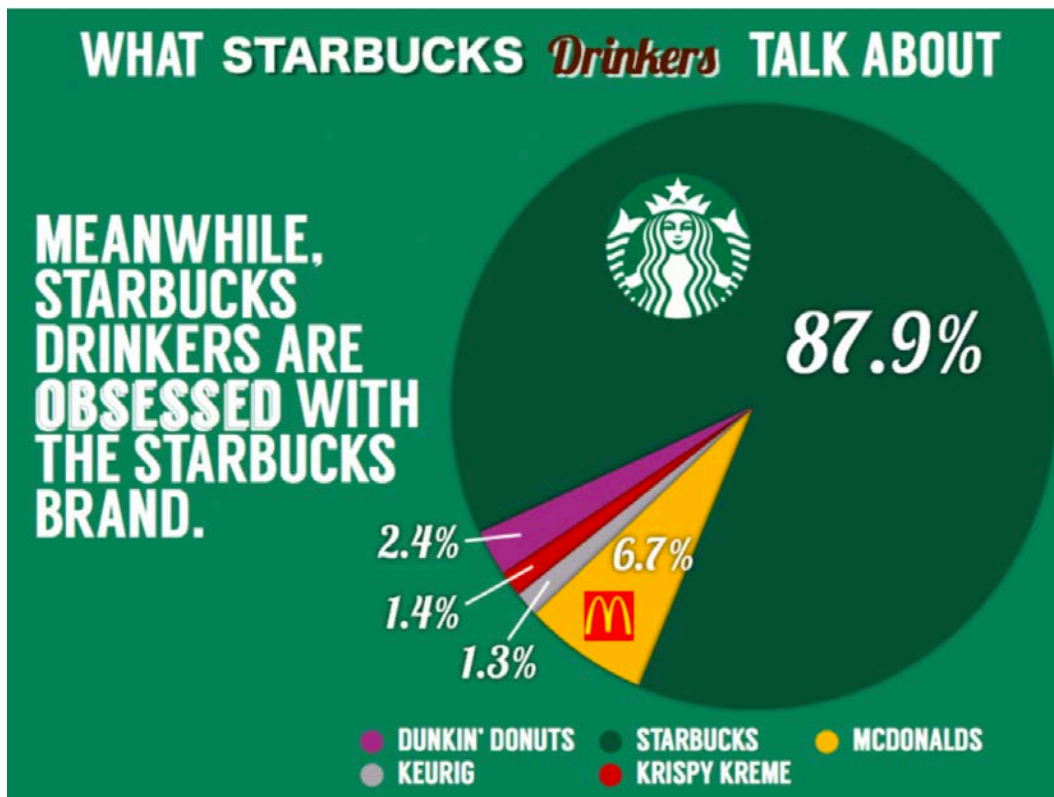
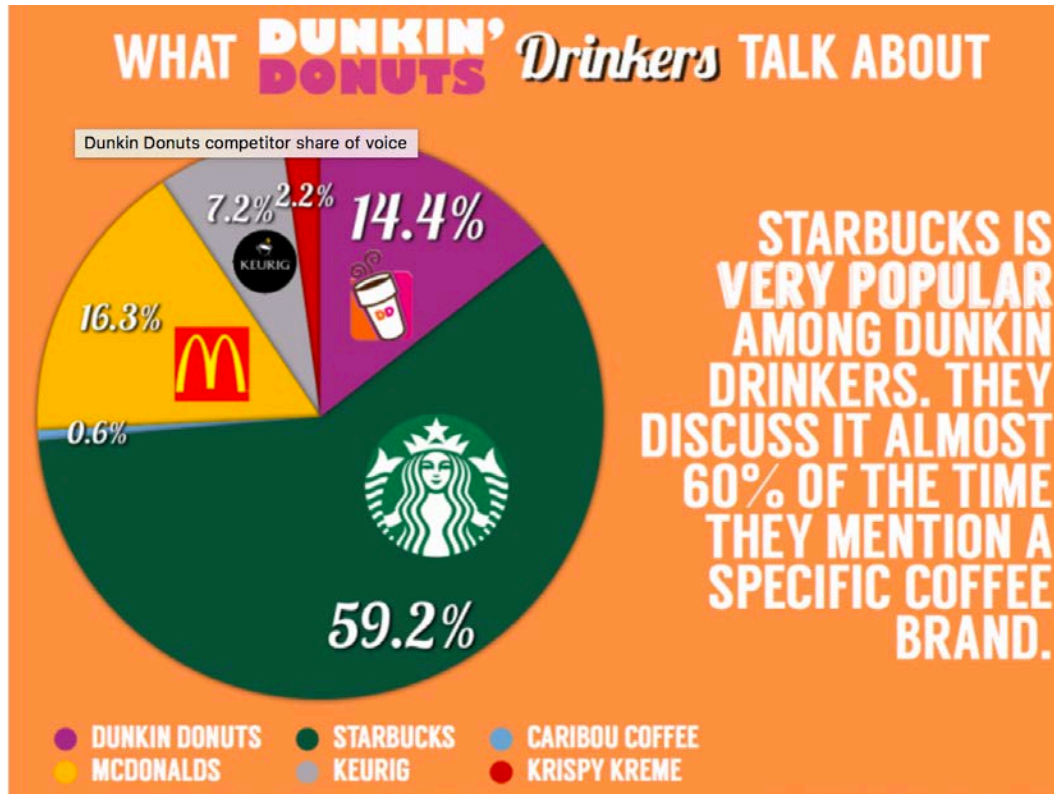


Starbucks Instagram Feed.

Appendix E.

Dunkin' Donuts Instagram Feed.

Appendix F.



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