

Eleven lessons: managing design in eleven global brands

Design at Starbucks

From its beginnings as a single coffee shop in Seattle 35 years ago, Starbucks is now a global brand which uses design to aid the delivery of a distinctive service experience to its customers. The Starbucks Global Creative team manages regularly changing design themes while working within a global brand.

Overview

Starbucks uses design It has developed a strategy that allows it to balance regularly changing design themes with a consistent set of brand values, and uses design as a way of aiding the delivery of a consistent service experience to its customers.



Key elements of that strategy include:

- The development of detailed guidance for internal and external designers in the company's brand and design principles
- The use of a five word filter against which all design concepts are judged
- A defined Processway to take designs from concept to delivery, encompassing a detailed suite of technical, legal and customer checks
- The development of an electronic workflow management tool to automate much of the design Processway and to further support designers with access to additional resources.

Meet the team

The Starbucks Global Creative team is responsible for the delivery of all in-store collateral and packaging, for the design of much of Starbucks' advertising and marketing materials, and for a visual merchandising group that works on the visual presentation in the stores and of the products. The group also commissions external creative agencies that deliver worldwide advertising campaigns.

A separate store design group is responsible for the design of the furniture, fittings and layout of Starbucks' retail outlets. The Starbucks brand itself is managed by a brand

group that strategise new brand platforms, such as a new product line and new identities.

The Global Creative team is led by Hainsworth who manages just under 100 staff at Starbucks' Seattle Support Center. Around 50 of these are designers, the rest responsible for project management. All design departments within Starbucks, as well as external agencies, work from 'the same creative palette,' says Hainsworth.

Designers

Starbucks' Global Creative team employs graphic designers together with technical and packaging specialists. Some of the team also bring fine art and illustration skills to the mix.

Designers are also encouraged to think of themselves as business owners, and an emphasis is placed on employing designers who are also thinkers and strategists.

Hainsworth believes that fostering a creative culture in Starbucks is important, and in his role as creative director, he is the face of design within the organisation, and is responsible for showing that designers aren't just 'off the wall wacky people.'



In more depth

Read more about the [skills](#) that business leaders are looking for in their designers

History

Starbucks was founded 35 years ago as a single coffee shop in Seattle's Pike Place Market. The company in its current form began in 1982 when Howard Shultz, now Chairman, joined as director of retail services and marketing. Shultz scaled up the import and distribution of fine coffee and identified an up-market niche for coffee houses, combining some of the atmosphere of Italian espresso houses with American values of friendly, efficient service. The first of this new style of coffee bar was opened in downtown Seattle in 1984.

By 1990 Starbucks had 84 stores around the US. During the 1990s it continued to expand and entered significant distribution relationships with a number of large US retail, air travel and hotel chains. It also extended its brand to encompass other aspects of the coffee shop experience, such as selling CDs of the music played in its stores as well as ground coffee and related products for home consumption.

The evolution of design at Starbucks

Starbucks deliberately avoids changing its core offering – the coffee. However, it does have a policy of continually refining other aspects of its products and services. Such innovation can be seen in the vast range of coffee-based products that it offers, the transition from foam to paper cups for take-away drinks and in the growth of its non-coffee retail items.



Starbucks enjoys a market leading position among coffee shops, but the concept that it developed has been imitated and modified by an increasing number of competitors. Starbucks must continue to evolve its product offering in order to maintain its leadership position. It also faces the significant challenge of managing a consistent brand experience over thousands of separate retail outlets.

Simultaneously, the company has pursued a strategy of enriching the brand wherever possible, branching out into areas such as Hear Music, its music recording and distribution venture, and consumer goods. Such ventures, in turn, complement the customer experience.

A two-way conversation

Design at Starbucks, says Stanley Hainsworth, Vice President of Global Creative, 'is about a two way conversation between the company's customers and partners.' The need to address internal audiences as well as external ones is vital, he says, since it is the essence of the brand that employees share with their customers that plays a key role in delivering the right Starbucks service experience.

Hainsworth's team, based at Starbucks' Seattle Support Center, is responsible for the design elements of the Starbucks experience. Those elements include the design of posters, cups and cup sleeves, advertising, packaging and numerous other items large and small that together make up much of a customer's experience in a Starbucks store, or when interacting with its products elsewhere.

'We are responsible for basically everything but the physical stores; everything that's in the stores, everything outside of the stores, advertising and partnering with advertising agencies, collateral, packaging, products in grocery and communal stores, and the website,' says Hainsworth.

Design process evolution

The current design process adopted by the Global Creative team evolved in parallel with the group's changing internal role. Originally, says Hainsworth, the department was more like a creative services function, creating design and print creative processes for the wider company. This approach led to inconsistency in output and the production of designs that didn't always match Starbucks brand values.

In response, Hainsworth took steps to allow the department to have much more control over designs. The basic mechanism introduced to do this was a five-word 'filter,' against which every prospective design is evaluated.

The design process at Starbucks also covers the need to express the experience of Starbucks. Starbucks realises that coffee isn't new in itself, and therefore they use design to build on the coffee experience, including the way in which baristas interact with their customers. Hainsworth cites an example of a Starbucks outlet in which the baristas had established a '100 club,' where staff had committed to memorising the names and drink orders of 100 regular customers.

As a consequence of such experience design, Starbucks has found that customers who feel comfortable in the Starbucks environment want to 'take it home with them' in various ways. This demonstrates both the challenges and opportunities around designing the Starbucks experience, particularly when they are able to drive trends and establish industry standards.

Organisational position and influence

'Design has always been important to the company, but it hasn't always had a prominent place at the executive table,' says Hainsworth. 'But lately there has been a lot more realisation that it can drive business and enhance sales. We can be strategic about design. It's not just pixie dust that you sprinkle on things.' He cites top-level support as a key enabler for design's current position with Starbucks. Howard Shultz, Starbucks' Chairman, he says, 'has a real appreciation for the transformative power of design.'

In more depth

Find out more about how successful design processes require good [leadership](#)

Market

Starbucks continues to be the largest player in the premium coffee shop market. The market for take-away coffee has trebled from US\$ 30 billion to US\$ 90 billion over the past ten years, and shows no signs of slowing down. In the US alone, it increased by 10 per cent last year when compared with 2005.

Today an increasing proportion of its revenues come from products sold through other channels, including supermarkets, concessions at hotels and airlines and even (via its dedicated iTunes store) the internet. The company says that in 2006 there were 550 million 'brand experiences' outside its traditional store environment.

The Starbucks design process

Starbucks has a well-defined 'Global Creative Processway' to describe its design process. Presented as a subway map, this process defines all the steps a project must pass through from concept, through execution to eventual production.

Concept development

The design process itself begins with a 'creative scrum,' a meeting in which members of the Global Creative department brainstorm ideas and generate concept ideas.

After the initial concept meetings, a single designer, paired with a copywriter or other specialist, typically takes design projects forward. Together, they develop a concept for the project which is reviewed and approved internally – measured against the five word filter before being presented, reviewed and approved or rejected by the customer.



Once concept approval is underway, the designer works to generate a first draft of the project. This again is reviewed internally and for any potential legal, or customer sensitivity issues. The first layout is then delivered to the client for approval. Once approved, more costly aspects of the process – specific photo shoots, for example – are completed and the designers produce the final product for evaluation.

Approval

Today, final approval of Global Creative output is completed with a physical presentation and sign off process. Final designs are put on display in an approvals room in Starbucks Support Center, configured in exactly the same manner that they will be when deployed in stores. Project stakeholders then have a two day period in which to view the designs and either sign them off or request changes. The review team includes the internal design management, Starbucks' legal team and, of course, the Starbucks client. Once all required stakeholders have approved the production-ready concept, it enters the manufacturing or print process.

This sign-off process, says Stanley Hainsworth, Vice President of Starbucks' Global Creative is one that will change dramatically with the introduction of the new online workflow management tool, since stakeholders will have the option of signing some designs off electronically.

Delivery

The importance of internal communication and the acceptance of designs is acknowledged during the production phase too. Shop floor representatives are involved in final product reviews and part of the design process is the production of photographic instructions to help store management to install and arrange new items correctly once delivered. These directions are distributed in the form of a magazine - Siren's Eye – which describes every element of each season's offering, with full instructions on installation and display to ensure a consistent brand experience in every store world wide.



The process of installing promotional campaign materials in-store is conducted simultaneously worldwide, and involves the efforts of a dedicated distribution team.

In more depth

Find out how [final testing and approval](#) are fundamental parts of the [Deliver](#) phase of the design process

Evaluation

Front line staff and customer feedback are central to the design evaluation process at Starbucks. During development the five-word filter drives go/no-go decisions on designs, but it is feedback from retail staff and customers that is used to assess the success of a project.

Starbucks has worked hard to develop effective mechanisms to link the development of the brand directly to the customer experience. One aspect of this approach is a concentration on internal communication with the thousands of individual baristas who are the brand's direct connection to its customer base.

Customer feedback is provided directly through a consumer insights group that talks to customers and directs their feedback to the business. A sophisticated feedback mechanism from the stores also ensures that all customer feedback is collected and acted upon. Baristas feed customer comments back through their store management to Starbucks Support Center, where the appropriate department undertakes to respond to the customer within a certain time frame.

For Stanley Hainsworth, Vice President of Starbucks' Global Creative, this means that if a customer has concerns about elements of a particular poster, he must respond to them explaining the rationale and decide whether the comment warrants future redesign or alteration.

In more depth

Read about how other companies in our study set targets for [evaluating](#) the success of their products design

Status

Today, Starbucks has 12,440 stores in 37 countries. 2,199 of these were opened in the last year. Annual revenue growth in 2006 was some 22 per cent, to a total turnover of US\$ 7.8 billion.

The company aims to keep opening outlets a rate of at least 2,400 stores a year with a long-term target of 40,000 outlets. Both domestically and internationally, outlet ownership is a combination of company owned and licensed or joint-venture premises.

Tools, techniques and tips

Starbucks is now moving to a policy of multi-skilling its designers wherever possible, ensuring that graphic designers have an understanding of the 3D design environment and vice-versa. Sitting designers of different disciplines together so that they can learn from one another wherever possible is reinforcing this flexibility.

Starbucks' Global Creative team produces a book of brand guidelines for use by all creative people internally and externally.

The book provides a comprehensive platform for the Starbucks design process, covering the company's values, describing its design filters and offering specific recommendations for photography, illustration, typography and logo usage.



In more depth

See what [tools and techniques](#) other companies in our study use

The Global Creative team is also involved in a major project to build a fully electronic version of its 'Processway.' The new workflow management tool will automate the distribution of materials for sign-off and will provide a variety of other resources for designers, including a document library where approved photography, illustrations and logos can be accessed, together with guidelines for use and best practice.

In more depth

Find out how [formal design process management](#) could help your business

With thanks to Starbucks

For the purpose of the design process study, we visited the Starbucks Support Center in Seattle and spoke to Stanley Hainsworth, Vice President of Starbucks Global Creative.

To find out more about Starbucks, visit the About Us section of www.starbucks.com



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