

A Starbucks Blend: Race, Social Marketing and Corporate Social Responsibility

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Introduction

The concepts of social marketing and corporate social responsibility (CSR) are often focused on initiatives that lead to the betterment of society. Consequently, company initiatives in these areas may address issues related to social justice. Additionally, the intersection of social marketing and corporate social responsibility has become more apparent in recent years. While the two concepts are different “they both mainly serve to create a better society and a better environment. Profit making businesses use social marketing as a tool while performing corporate social responsibility (CSR)” (Kestane, 2014, p.199). The two concepts are further differentiated in that

“the first goal in social marketing is to create behavioral change to create value in society rather than commercial gains. Creating corporate image and increasing sales are secondary aims.....CSR is a concept that is consistent and that forms integrity through all of an organization’s strategies and policies, values, culture, decision making and reporting mechanism. (Kestane, 2014., p. 199)

It is unusual for companies to proactively initiate campaigns on the sensitive subjects such as race relations in the United States. (Logan, 2016). Therefore, the initiatives launched by Starbucks Coffee Company to address the issue of race relations warrant study as illustrations of the intersection of social marketing and CSR.

Social Marketing

Social marketing has been used as a practice to increase awareness of various societal issues, and as a consequence, bring about social and behavior change. Social marketing is described as “the use of marketing institutions, processes, principles and techniques, and behavioural theories and models, to induce voluntary behaviour change” (Gordon, 2011, p.82). An increasing number of diverse social challenges have been acknowledged as requiring social marketing as an intervention. Examples of these challenges range from issues related to environmental sustainability, to issues related to equality and inclusiveness (Beall, Wayman, D'Agostino, Liang, & Perellis 2012).

Saunders, Barrington & Sridharan (2017) offered the following definition of social marketing. “Social marketing is the application marketing principles to enable individual and collective ideals and actions in the pursuit of effective, efficient, equitable, fair and sustained social

transformation” (Saunders, Barrington & Sridharan, 2017. p. 165). Implied in this definition are the following requirements: 1) social marketing initiatives enable individuals and foster collective actions and ideas that are meaningful to those that are targeted for benefit; 2) social marketing recognizes the rights of individuals and collective to act and bring about change and; 3) social marketing seeks to transform society for the greater good (Saunders, Barrington & Sridharan, 2017).

Corporate Social Responsibility

Corporate social responsibility relates to the overall management of a company and seeks to integrate CSR activities with a company’s values, culture and strategies, along with reporting mechanisms and metrics. (Kestane, 2016). The majority of companies take a multifaceted approach to CSR and initiatives “run the gamut from pure philanthropy to environmental sustainability to the active pursuit of shared values”. (Rangan, Chase & Karin, 2015). Rangan, Chase & Karin (2015) assert the existence of three CSR theatres (or categories).

Determining which theatre (or theatres) of CSR a company chooses to operate within, and developing and implementing activities accordingly, is imperative (Rangan, Chase & Karin, 2015). A description of the three theatres follow. Theatre one is comprised of activities that are not directly tied to generating profit or enhancing business performance, yet increase community engagement and support employee volunteerism. Theatre two is comprised of activities that are executed within existing business models in order to deliver social benefits that may support the improvement of the efficiency or effectiveness of a company’s operation. Theatre three is comprised of activities that support business performance. Theatre three programs are often narrowly focused. However, they have the potential to significantly influence a company’s social or environmental impact, and financial performances (Rangan, Chase & Karin, 2015).

Research Question

The research question addressed in this paper is how do the Starbucks race related initiatives, Race Together launched in March 2015 and a day of racial bias training conducted in May 2018, illustrate examples of both social marketing and CSR?

Methodology

A directed content analysis of press releases, website content and news articles was conducted for the Starbucks Race Together initiative and day of racial bias training. This type of content analysis is guided by prior research; and findings are used as supportive or non-supportive evidence of a particular framework (Hsieh & Shannon, 2005). In this study, the social marketing requirements asserted by Saunders, Barrington & Sridharan (2015) and the three theatres of CSR as described by Rangan, Chase & Karim (2015) are used as frameworks to guide the analysis.

Findings

The mission and values statement of Starbucks Coffee Company highlights the company's commitment to humanity. Specifically, the Starbucks' mission is "to inspire and nurture the human spirit – one person, one cup and one neighborhood at a time". Additionally, Starbucks' core values highlight the importance of including multiple stakeholders in achieving its mission - partners (employees), the product (coffee) and customers

(<https://www.starbucks.com/about-us/company-information/mission-statement>).

"Strengthening communities by welcoming all and creating impact on issues that matter." is noted as an area of focus for the company

(https://news.starbucks.com/uploads/documents/AboutUs-Company_Profile-4.11.18.pdf).

The Race Together Initiative

Following events involving the police and members of the African American community, and more specifically the event in Ferguson, Missouri in 2014, the Race Together Initiative was created. The 2015 initiative was a yearlong, multifaceted campaign that addressed the controversial issue of race in the United States (Logan, 2016). An objective of the initiative was to "inspire compassion and highlight the need for social justice in the United States. [Starbucks] employees and the public were encouraged to continue to contribute their voices to the conversation." (Logan, 2016, p. 101).

The Race Together initiative included baristas writing the words "race together" on customers' coffee cups as their orders were filled (Lobosco, 2015). Additionally, the initiative included a variety of communication materials to educate individuals about racial inequality including videos, advertisements, and a campaign website (Logan, 2016). The USA TODAY newspaper was also a campaign partner and published a special insert that included a diversity index in which the chances of meeting a person from a different racial or ethnic background was calculated (https://news.starbucks.com/uploads/documents/Race_Together_USA_Today_Special.pdf) Additionally, as part of the Race Together Initiative, Starbucks made the commitment to open additional stores in minority communities and to hire 10,000 underserved youth over a three year period (Lobosco, 2015).

Results of the Race Together Initiative were mixed. "Some social media users lashed out, claiming that picking up coffee during a morning commute wasn't the time or place to have this kind conversation." (Lobosco, 2015). Although there was a social media backlash in response to the campaign, sales did not suffer during this period (LaMonica, 2015).

A Day of Racial Bias Training

On April 12, 2018 two black men entered a Starbucks store in Philadelphia, Pennsylvania. Shortly after arriving they were arrested on suspicion of trespassing. The men had arrived early for a business meeting, used the restroom, and declined to place an order. The manager of the

Starbucks store called law enforcement, indicated the men were trespassing, and the men were arrested. Ultimately, no charges were filed and the men were released. However, the arrests prompted protests of Starbucks (Hauser, 2018).

On April 17, 2018, Starbucks released its plan to conduct an afternoon of “racial-bias education geared toward preventing discrimination in our stores” (<https://news.starbucks.com/press-releases/starbucks-to-close-stores-nationwide-for-racial-bias-education-may-29>). In an attempt to address the racial bias inherently related to this incident the afternoon of May 29, 2018, Starbucks closed over 8000 of its 9,412 company stores in the United States to conduct racial bias training. Approximately 175,000 employees participated in the training. (Wiener-Bronner, 2018). The cost of this shutdown (in terms of lost sales) for Starbucks is estimated to total \$16.7 million (Fletcher, 2018). Following the training day, which was considered by Starbucks to be a step toward preventing similar incidents in the future, the company “changed its policy to allow people who haven't made a purchase to spend time in stores or use the bathroom.” (Wiener-Bronner, 2018).

Common Characteristics

The Starbucks Race Together initiative and the day of racial bias training illustrate characteristics of both social marketing and CSR. Both initiatives support the Starbucks mission statement which is inclusive of a larger societal concern related to behavior that embraces diversity and inclusion. Both campaigns were developed in response to a call to action to particular incidents of racial injustice. Additionally, this research study illustrates the implementation of campaigns that demonstrate the intersection of social marketing and CSR.

With respect to social marketing, Race Together, an initiative in which key components were executed in store, attempted to provide a forum in which individual stories and experiences could be shared in an attempt to spark dialog. Both employee and customer experiences could be shared as part of the campaign. The day of racial bias training was designed to encourage individual employees to examine his or her view of race and to enhance each employee’s understanding of behavioral expectations in the context of the Starbucks’ mission and corporate values. Both initiatives illustrated the required characteristics of a social marketing campaign put forth by Saunders, Barrington & Sridharan.

	Race Together	Day of Racial Bias Training
Requirement one: enables individuals and fosters collective actions/ideas that are meaningful to those that are targeted for benefit	X	X
Requirement two: recognizes the rights of individuals and collective to act and bring about change	X	X

Requirement three: seeks to transform society for the greater good	X	X
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Table 30: Summary of Starbuck Initiatives – Social Marketing Requirements

Regarding the theatres used to categorize CSR, theatres two and three were satisfied by both initiatives. Only the Race Together initiative aligned with the requirements of theatre one in that it provided a clear opportunity for community engagement on the topic of race relations. However, each initiative was executed within, and was supported by, business operations, specifically within Starbuck stores. In the case of Race Together, the initiatives became part of the in store customer experience during the time the program ran. In the case of the day of racial bias training, operations were suspended and stores were turned into training facilities. Both initiatives aligned with the requirements of theatre three in that each was narrowly focused on race relations.

	Race Together	Day of Racial Bias Training
Theatre one: activities have no direct tie to enhancing business; however, they improve community engagement	X	-
Theatre two: activities are delivered within the business model to support efficiency and effectiveness	X	X
Theatre three: activities are narrowly focused, support business activities and have the potential for social impact	X	X

Table 31: Summary of Starbuck Initiatives – Corporate Social Responsibility Theatres

Conclusions

It is possible for corporate initiatives to address social issues by impacting ideas, or behaviors (pillars of social marketing) and to leverage their business operations as a channel for delivering or hosting such initiatives. When these two conditions are satisfied, the participating company is in fact leveraging its social marketing efforts in fulfillment of CSR requirements. Based on the results of this study, programmatic efforts that illustrate the requirements of social marketing and CSR (and their intersection), are narrowly focused on a societal issue, have the intention of affecting meaningful and beneficial change (from both an individual perspective as well as from a broader societal perspective), and are aligned with the company’s broader mission.

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Keywords: social marketing, corporate social responsibility, diversity and inclusion, Starbucks.

Relevance to Marketing Educators, Researchers and Practitioners: The concepts of social marketing and corporate social responsibility (CSR) are often focused on initiatives that lead to the betterment of society. While the intersection of social marketing and CSR has become more apparent, the two concepts differ. This paper reviews two initiatives launched by Starbucks Coffee Company; both of which were born out of the company's desire to address the sensitive issue of race relations in the United States. As the influence and impact of initiatives in both of these areas expand in an attempt to bring about positive social change as it relates to diversity and inclusion, it is important for marketers to have a voice in highlighting such initiatives and in framing future discussions.

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