



LexisNexis®

COFFEE SHOP  
BRANDS

BRAND HEALTH  
REPORT

LexisNexis® Media Intelligence  
Research and Analytics



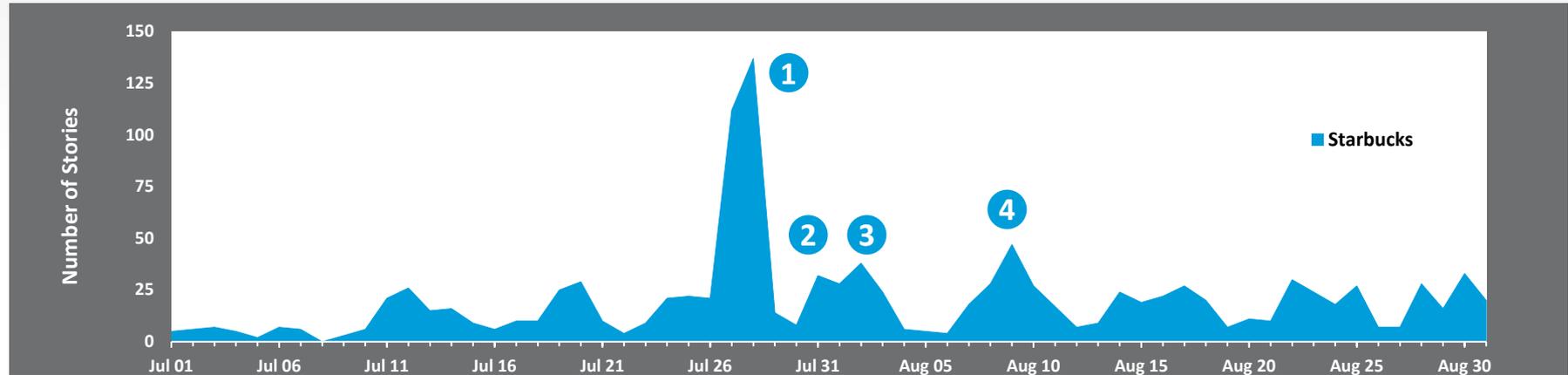
- This study examines traditional media attention of Starbucks from July 1 - August 31, 2017.
- Coverage from major Canadian, U.S., U.K., and French media was examined for this study. This coverage was sourced from the LexisNexis Newsdesk® media monitoring and analytics solution, and included coverage with a Newsdesk Source Rank of 1.
- This study includes quantitative and qualitative metrics and analysis, as well as results derived from LexisNexis Newsdesk® and human analysis of the coverage by LexisNexis® analysts. The study's overall volume and audience reach results and derivative metrics (share of voice) were determined through LexisNexis Newsdesk®, while the sentiment and messaging results were determined through human analysis by LexisNexis analysts.
- For the human analysis, LexisNexis analyzed a random sampling of 400+ clips discussing Starbucks. For each clip examined, LexisNexis analysts determined how favorably the chain was depicted using a modified five-point scale: 1. Intensely Positive; 2. Positive; 3. Neutral; 4. Mixed / Balanced; 5. Negative; and 6. Intensely Negative. Also, LexisNexis tracked what the focus of the story was from the perspective of the coffee chain from among three options: 1. Corporate News; 2. Restaurant / Product News; and 3. Other News. Lastly, LexisNexis analysts tracked a list of key positive and negative messages about corporate and restaurant/product matters for each chain.

The names and logos of Dunkin' Donuts, Tim Hortons, and Starbucks, Costa Coffee, and Caffe Nero are the trade names and logos of their respective owners. LexisNexis, Lexis, and the Knowledge Burst logo are registered trademarks of RELX Inc.

- **Starbucks saw half of its coverage be favorable overall**, with 3 percent being intensely positive and 47 percent being positive. Starbucks benefited from favorable attention on its new product launches, growth opportunities in China, and financial performance and prospects. Commentary from Starbucks Founder and Executive Chairman Howard Schultz in mid-August comments decrying the violence in Charlottesville also contributed to this positive attention.
- **Fifteen percent of the chain's coverage was unfavorable**, but no stories examined were intensely negative toward Starbucks. Its unfavorable reporting focused most often on Starbucks' stock decline following its third quarter earnings call where it announced plans to close its Teavana stores.
- **Corporate news dominated July and August reporting** on Starbucks, accounting for 62 percent of the chain's coverage. Starbucks' quarterly earnings results that were release on July 27 and related announcements, such as its decision to buy the remaining shares of its East China joint venture, prompted considerable attention on corporate matters.
- **Starbucks saw seven of its top ten leading messages be positive**, led by favorable messaging about the chain launching new products. Other popular positive messages included that the chain has good marketing initiatives and management. Starbucks received criticism most often about its stock performance, which suffered after Starbucks announced the closing of its Teavana stores.

## Chinese Joint Venture buyout, Teavana store closings, and stock decline generate coverage

- Starbucks witnessed its most substantial reporting after releasing its third quarter earnings report on July 27.
- Corporate news accounted for 62 percent of Starbucks' coverage, resulting from reporting on announcements made during its third quarter earnings call, such as its decision to buy the remaining shares of its East China joint venture.
- Stories on various other matters spiked on August 17, after Starbucks founder Howard Schultz spoke about the unrest in Charlottesville, Virginia.



**1** Starbucks announces plans to buy the remaining shares of its East China Joint Venture and close all 379 Teavana stores. Reports on the company's worst stock decline in two years follows the announcements.

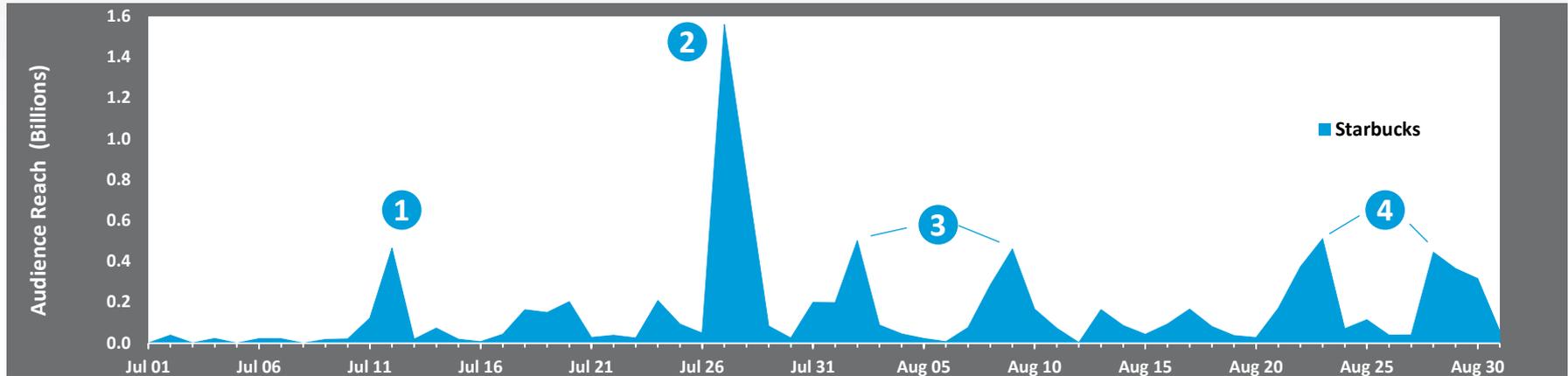
**2** Reporting on Starbucks' Joint Venture buyout and the closing of its Teavana stores resumes on Monday, July 31 following several reports on Friday when Starbucks released its Q3 report just before the weekend.

**3** First-of-the-month reporting included an incident where an angry women spat another Starbucks customer and Starbucks launching a new coffee drink featuring beef jerky.

**4** Continued reports and analysis on Starbucks' push into the Chinese market. Also, stories discuss how Starbucks is launching its Horchata Almondmilk Frappuccino drink, noting it is the chain's first beverage made with almond milk.

### Starbucks reaches 9.7 billion people, largely helped by *Yahoo! Finance* and *Yahoo! Beauty*

- Despite Restaurant / Product stories accounting for just 23 percent of Starbucks' coverage, such stories reached nearly as large an audience (43 percent of total reach) as all its Corporate reports (44 percent of total reach). This resulted from three *Yahoo! Beauty* reports discussing various Starbucks drinks, with each story reaching more than 300 million people.
- European media (UK & France) reached 5.2b people. Northern America media (US & Canada) reached 4.5b people.



**1** Starbucks appears in three *Yahoo! Finance* stories each reaching 120 million people. One discusses Starbucks hiring Lucy Helm to address complaints from its baristas, while the others focused on Starbucks' stock performance.

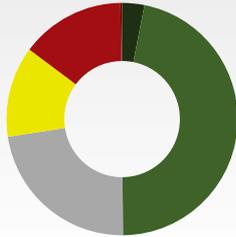
**2** Starbucks reaches nearly 1.6 billion people after releasing its third quarter earnings results and making multiple strategic announcements, including its bet on the Chinese market and closing of several stores.

**3** *Yahoo! Beauty* story lists 15 "guilt-free Starbucks drinks" when on a diet, reaching more than 300 million people. An August 9 story on Starbucks facing market saturation appears in *Yahoo! Finance UK*. The chains also appeared briefly in a *Yahoo! Lifestyle* report.

**4** *Yahoo! Beauty* reports on August 23 that Starbucks plans to release a "Mermaid Frappuccino". An August 28 *Yahoo! Finance UK* report names Starbucks as one of many companies donating to Hurricane Harvey relief efforts.

### Starbucks' Earnings Heighten Positive Coverage, Stock Declines Generate Negative Reporting

- Intensely Positive
- Positive
- Neutral
- Mixed
- Negative
- Intensely Negative



While 50 percent of Starbucks' coverage was positive, **just 3 percent was intensely positive**. Such stories typically discussed corporate matters, noting that the chain is growing. Positive attention was heightened following its third quarter earnings report and Executive Chairman Howard Schultz's mid-August comments decrying the violence in Charlottesville, Virginia. New fall pumpkin spiced drinks also helped boost positive attention.



Starbucks witnessed a considerable amount of **unfavorable reporting on its stock decline** following its third quarter earnings call. Investors feared its US growth was slowing after it announced plans to close its Teavana stores.

Mixed sentiment (13 percent of stories) resulted from coverage reporting on Starbucks growth in China but overall sales decline.



**Starbucks' leading message was that it was launching a new product** (8 percent of reporting). Such messaging appeared commonly in stories reporting that Starbucks' pumpkin spiced latte was returning. Other new product stories announced the Horchata Almondmilk Frappuccino, sushi burritos in Chicago, and on-tap cold coffee that is nitrogen infused.



Discussion of **Starbucks' stock not performing well** was the chain's second most prominent message and **leading negative message** (6 percent of reports). This message appeared most often after Starbucks announced the closing of its Teavana stores, which shied away investors.



That **Starbucks has strong management and a good vision** for the company was conveyed in 3 percent of reporting. Coverage of Starbucks closing its Teavana stores most frequently conveyed this message, as CEO Kevin Johnson spoke about the chain's innovation plans for tea, including the introduction of Teavana Infusions.

#### Percent of Stories

