

## Starbucks moves into "content creation" with digital series

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In this Wednesday, March 23, 2016, file photo, Starbucks CEO Howard Schultz speaks at the coffee company's annual shareholders meeting in Seattle. Starbucks is venturing into the world of "content creation" with stories about inspiring Americans it says will help balance the "cynicism" fueling media coverage of the presidential election. The coffee chain, which is known for chiming in on social issues, says it's positioned to give its Upstanders series a big stage through its popular mobile app. (AP Photo/Ted S. Warren, File)

Starbucks wants to tell stories about inspiring Americans, marking the



coffee chain's latest push to deepen its relationship with customers and cast itself as a positive force on social issues.

The coffee chain says it is moving into the world of "content creation" with its series of text, video and podcasts on subjects including a former NFL player who helps disabled veterans. The company says it is aiming for the quality level of The Washington Post and The New York Times.

Starbucks says it will promote the "Upstanders" series in stores and on its mobile app over the next 10 weeks. CEO Howard Schultz said the app, which accounts for 25 percent of Starbucks transactions, is a "treasure trove" that can give content considerable exposure.

Schultz said that retailers need to evolve to be more "experiential," and that he believes Starbucks will continue to pursue original content.

Moving into <u>original content</u> could give Starbucks more control in burnishing its image on social issues. The company has long touted its health and education benefits for employees, for instance. And last year, it had employees write "Race Together" on cups in the wake of protests over police killings of black men. The move was criticized as opportunistic and inappropriate coming from a company better known for pricey lattes, but such efforts have nevertheless fostered Starbucks' liberal image.

Schultz said the changing "rules of engagement" means businesses now have to show customers they're giving back to the community. He also gave a strong endorsement to Democratic presidential nominee Hillary Clinton on Wednesday, citing on CNN the "vitriolic display of bigotry and hate" on the "other side." He didn't rule out running for office himself at some point.

Many companies have been trying to bypass news outlets and become a



direct source of information, sometimes hiring "brand journalists" to create stories about themselves. Coca-Cola runs a "Coca-Cola Journey" website, for instance, and Chipotle gained praise for its animated videos depicting itself as a more wholesome alternative to traditional fast food.

Schultz said the Upstanders series is not branded content or marketing because it's not about Starbucks. But the push is nevertheless a way for the company to try and connect directly with customers with a feel-good message.

The challenge is that there's so much content available online that it's difficult for anyone to get noticed, said Allen Adamson, founder of the Brand Simple consulting firm. He also noted that marketers have to walk a fine line when commenting on <u>social issues</u>, so that they don't risk losing customers.

"If you take a stand on almost any issue today, half the room will be applauding you and half the room will be booing you," Adamson said.

Still, Adamson said creating content is a way for companies to try to reach fragmenting audiences. And the Upstanders series is meant to be uplifting, without making political statements.

Schultz said Starbucks had been "offered lots of money from other media companies" to feature their content on the company's app, citing movie trailers as an example. The company said a previously announced deal to feature select New York Times stories on its app is still in the works.

Rajiv Chandrasekaran, a Starbucks public affairs executive and a former Washington Post correspondent, said he applied the same standards to the Upstanders series that he would have while he was a reporter.



"We're really trying to create the sort of stories that would stand on their own on the Washington Post and New York Times website," he said.

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