

## WHY STARBUCKS FAILED IN AUSTRALIA?

### Task 1. Speaking activity

Answer the questions below:

- How much coffee do you consume *on a daily basis*? Do you consider yourself *a coffee addict*?
- What is your favourite type of coffee or a coffee flavour?
- Do you think drinking too much coffee or other *chai drinks*\* might be *detrimental* to our health?
- Which coffee shop chain is the most popular in your country or city? Are you a fan of any of them?

### Task 2. Comparison & discussion

**Which coffee shop chain is with the highest number of units in Europe?**

Choose your answer now and you will find it out later in the video.

- a) Starbucks
- b) Costa**
- c) Green Nero Café
- d) McCafe

- <https://www.worldatlas.com/articles/the-biggest-coffee-shop-chains-in-europe.html> if you're interested, here is an article about the biggest coffee shop chains in Europe. And you can find your answer there 😊
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**How are these coffee shop chains different from each other?**



### Task 3. Listening & watching

You're going to watch a video about the downfall of Starbucks in Australia. Focus and find all the necessary information to answer the questions below:

Link to the video: <https://www.youtube.com/watch?v= FGUkxn5kZQ>

1. How often does a new Starbucks location open up in China?  
Every 15 hours
2. Which market is the toughest to break into and why?  
Australia
3. When did Starbucks open its first shop in Australia?  
July 2000
4. What did go wrong then?  
They launched it too rapidly not adjusting it properly to Australian consumers/
5. What happened in 2008?  
Starbucks announced it was shutting down + there was a financial crisis
6. What the Australian consumers didn't really like about Starbucks? And how was it different from their local coffee shops?  
Australians prefer the Italian style where you know your local barista and everyone knows each other; Starbucks is more about the product; it charges more than local cafes;
7. What is Gloria Jean's doing in Australia that Starbucks isn't?  
Adapting its menu to Australian coffee culture
8. What is Starbucks planning to do next?  
It announced it would be opening a roastery which is not your average café, as it gives customers a chance to see coffee roasted and processed before their eyes/ they are planning to hit the Australian market again but this time as a big tourist destination

### Task 4. Vocabulary practice & listening

Listen carefully to the video again and fill in the gaps with the missing words.

1. But there is one continent that seems uninterested in the **HYPE** over the Seattle based coffee chain and that continent is Australia.
2. It's proven to be one of the toughest markets in the world to **BREAK INTO**
3. The problem is that they thought their business model could just roll out to a different environment and there was no need for them to **ADJUST**
4. In 2008, Starbucks announced it was **SHUTTING DOWN** 61 stores.
5. Along with Australia closures, Starbucks also closed 600 **UNDERPERFORMING** American stores.
6. But even still such a **RETREAT** in Australia was embarrassing for the brand.

7. The industry is expected to hit more than \$6 billion in total **REVENUE** in 2018.
8. By the 1980s, Australians were fully **ENGULFED** in café culture.
9. Australians instead **OPTED** to pay less for coffee they liked from a local barista they trusted.
10. There is one American coffee company that's **THRIVING** in Australia.
11. The company **ATTRIBUTED** to success to two Australians who franchised the business in their home country.
12. It announced it would be opening a **ROASTERY** which is not your average café.
13. But Starbucks isn't admitting **DEFEAT** is Australia either.
14. This time it's not looking to **APPEAL** to Australia.

**Task 5. Vocabulary practice**

Match the words with their meanings:

<b>1. To adjust</b>	<i>To change sth so that it works better, fits better or is more suitable</i>
<b>2. To engulf</b>	<i>To surround or cover someone or something completely</i>
<b>3. To shut down</b>	<i>If a business or a large piece of equipment stops working or operating</i>
<b>4. To roll out</b>	<i>To make a new product, service, or system available for the first time</i>
<b>5. To immerse</b>	<i>To become completely involved in something</i>
<b>6. To break into</b>	<i>To begin working in a new business or a new area</i>
<b>7. To attribute sth to</b>	<i>To say or think that something is the result of a particular thing</i>
<b>8. To retreat</b>	<i>To go away from a place or person in order to escape from fighting or danger, or to avoid a difficult situation</i>
<b>9. Defeat</b>	<i>The fact of losing against someone in a fight or competition, or when sb/sth is made to fail</i>
<b>10. Thriving</b>	<i>Growing, developing, or being successful</i>
<b>11. Roastery</b>	<i>A place where coffee beans are heated so they become drier and browner, before being crushed to make coffee</i>
<b>12. Underperforming</b>	<i>Making less profit or operate in a less successful way than other thing of the same type</i>
<b>13. revenue</b>	<i>The income that a government or company receives regularly</i>

