



Executive Summary

Mr Schultz and Senior Executives, with the implementation of our recommendations over a period of five years, you will achieve:

- Additional profit of **\$1,124,000** to bottom line from Starbucks Entertainment Unit in 5 years
- An integrated reinvigoration of Starbucks Coffee Experience through two localized strategic expansions into **Canada** and **Singapore**.
- **\$461,000** in profits from Starbucks Entertainment's International Music Offering in next 5 years
- Creation of a unique Starbucks Experience in stores across Canada and Singapore with focus on the coffee

Country Selection

Critical success factors require the countries selected to have an established brand awareness and maturity so as to leverage existing operating infrastructure, incurring minimal incremental costs for the expansion efforts of Starbucks Entertainment. Successful entry into hubs of Canada and Singapore would form the base for further expansion into the spokes of other opportunities in the region.

International Expansion

Out of the USA, Canada has the most number of Starbucks outlets in the world. The Canadian markets target two segments; yuppies and baby boomers whilst the Singaporean market targets youth and business travelers. Both countries are also culturally compatible with USA for easy adoption of American music and culture. Product offerings in both countries include CD and Digital Media and are distributed off the counter and wirelessly through iTunes, iPods and iMacs.

Future expansion plans in North America include entering markets of Toronto and Ontario. In Asia, Changi International Airport will serve as a hub to expose business travelers to Starbucks Entertainment. Further expansion through Hong Kong International Airport and other airports in the region will serve as a low cost method to gain global awareness.

Mr Schultz, an opportunity presents itself in front of us. I urge you to consider our proposal so that we can immediately start work on our vision, a global music strategy for Starbucks.
