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Starbucks' New Logo Signals Intent to 'Think Beyond Coffee'

CEO Howard Schultz Promises New Product Offerings in Spring

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CHICAGO (AdAge.com) -- Starbucks Corp. today unveiled the latest iteration of its logo -- a move that CEO Howard Schultz said signaled the java giant's intent to "think beyond coffee."



Starbucks revealed the logo -- which drops the green ring with the text "Starbucks Coffee" and more prominently displays its famed siren -- to employees in its Seattle offices and on a webcast. Mr. Schultz said in a video post on the company's website that while allowing the siren to come out of the circle indicates Starbucks' intention to broaden its focus, "make no mistake: We have been, we will continue to be and we always will be, the world's leading purveyor of the highest-quality coffee."

In a blog post today, Mr. Schultz said: "Starbucks will continue to offer the highest-quality coffee, but we will offer other products as well. ... You'll begin to see our evolution starting this spring." He didn't say what products were in the offing, but it's clear the company has had its sights set on being more than a coffee chain for a while. It is once again selling breakfast sandwiches, which were once banned because the smell supposedly infringed on the coffeehouse atmosphere.

The new logo is part of a celebration of Starbucks' 40th year, and it is the fourth in the company's history. Starbucks revamped the logo in 1987 by dropping the brown and embracing green; it also changed the formerly bare-breasted siren to a more modest sea nymph. The company again modified the logo in 1992.

There have been a number of high-profile logo changes in the past few years; <u>Pepsi-Cola</u>, Tropicana and Gap all tweaked their iconic symbols. Notably, all have received further tweaks since the initial rollouts. Pepsi-Cola, which initially rolled out three different smiling logos, scaled back to just one. Tropicana reverted to its straw-in-an-orange imagery after consumer outcry and a <u>drop in sales</u>. And <u>Gap</u> quickly scrapped plans to roll out a new identity when consumers panned the logo's Helvetica font and gradiated blue box online.

An <u>Ipsos Observer poll</u> conducted by Ad Age in the midst of the Gap logo debacle showed that more than half of consumers expect companies to ask for the public's input before making a major change to its logo, packaging or product. Thirty-six percent said they didn't expect that, and 12% said they weren't sure.

Starbucks appears to have put a great deal of thought into the logo rollout: Mr. Schultz scheduled a call with associates, and the company posted a video explaining the change as well as a post on its website. Even so, consumers are generally quick to judge a logo change. "If you ask customers what they think, they'll say a logo change is just a logo change," said Tony Spaeth, president of Tony Spaeth/Identity. "It's easy for people to demean a logo change. Does that really reflect their genuine perception of Starbucks? I don't think so."

Brand consultant Denise Lee Yohn said consumers are "always resistant to change, and given what happened with the Gap logo, there's probably going to be a backlash in the social-media world." Sure enough, there were a few dissenters, with some tweeting comments such as, "Starbucks has to be feeling pretty confident to drop name from new logo" and "Is new Starbucks going to last as long as the new Gap logo?"

Mr. Spaeth said he thinks the Starbucks logo rollout will fare much better than the Gap logo debacle. "The big difference is that Gap management didn't really understand the significance of what they were doing and that the public was interested. Howard Schultz is very much on top of this and regards this as a very significant step forward. It's being undertaken with supreme confidence and pride."

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