UNIVERZITA KARLOVA

FAKULTA SOCIÁLNÍCH VĚD

Institut komunikačních studií a žurnalistiky

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Trends in Intercultural Marketing:

The Reception of Starbucks in France and Czechia

Bakalářská práce

Praha 2017

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Rok obhajoby: 2017

Bibliografický záznam

TUČKOVÁ, *Kateřina. Trends in Intercultural Marketing: The Reception of Starbucks in France and Czechia*. Praha, 2017. 57 s. Bakalářská práce (Bc.) Univerzita Karlova, Fakulta sociálních věd, Institut komunikačních studií a žurnalistiky. Katedra marketingové komunikace a public relations. Vedoucí diplomové práce Mgr. David Klimeš, Ph.D.

Abstract

During the process of marketing planning, global brands must decide to what extent they adapt to the culture of the location in which they are expanding. This paper investigates the means with which a global brand such as Starbucks deals with the various cultural, sociological, and anthropological factors in the 72 countries where it currently operates. The brand's communication is closely analysed along with the dimensions of the national cultures of two countries: France and the Czech Republic. This is also achieved by employing the sociological concept of Oldenburg's third place, through which the role of cafés in different cultures is examined in order to contextualise the primary research component. A combination of methods is applied including document analysis, interviews, and a partial observational field research to expose the ways in which Starbucks' customers use the café in different countries. Correlations between the national dimensions and the use of the third place provided by Starbucks illuminate, for example, the difference between the relatively feminine French who socialise inside the café and the relatively masculine Czechs who often come to seek neutral ground for work related activities. Conclusively, the final recommendation holds for incorporating sociological and anthropological insights to in-store design.

Key Words

Abstrakt

Globální značky jsou při svém marketingovém plánování vystaveny rozhodnutí, do jaké míry se adaptovat na kulturu lokality, do které expandují. V této bakalářské práci je zkoumáno, jakým způsobem se globální značka Starbucks vypořádává s kulturními, sociologickými a antropologickými faktory, které jsou bezpochyby různé v 72 zemích, kde Starbucks operuje. Komunikace značky je podrobena analýze spolu s Hofstedeho dimenzemi národních kultur Francie a České republiky. Toho je dosáhnuto i s využitím sociologického konceptu třetího místa, skrz které je sledována společenská role kaváren v odlišných kulturách. Třetí místo je teorie poprvé představena Oldenburgem za účelem charakterizovat prostor, kde lidé tráví čas mimo svůj domov a práci. Tento koncept dodává kontext primárnímu výzkumu, který kombinací analýzy dokumentů, rozhovorů a terénního pozorování odhaluje, jak zákazníci značky Starbucks v různých zemích využívají prostory kaváren. Souvztažnost mezi kulturními dimenzemi a využitím poskytnutého třetího místa osvětluje například jak se relativně femininní Francouzi scházejí v kavárnách Starbucks, aby se socializovali, zatímco relativně maskulinní Češi spíše vyhledávají neutrální místo pro práci. Finální doporučení nabádá ke spolupráci sociologů a antropologů při navrhování designu poboček.

Klíčová slova

Globální značky, adaptace, Starbucks, třetí místo, Oldenburg, Hofstede, Francie, Česká republika, maskulinita, kavárna, marketing, interkulturní komunikace, dimenze národní kultury

Prohlášení

1. Prohlašuji, že jsem předkládanou práci zpracovala samostatně a použila jen uvedené pramemy a literaturu.
2. Prohlašuji, že práce nebyla využita k získání jiného titulu.
3. Souhlasím s tím, aby práce byla zpřístupněna pro studijní a výzkumné účely.

V Praze dne …………………..   Kateřina Tučková ……………………………….

Acknowledgements

Institut komunikačních studií a žurnalistiky FSV UK
Teze BAKALÁŘSKÉ diplomové práce

TUTO ČÁST VYPLŇUJE STUDENT/KA:

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Studijní obor/forma studia: MKPR/prezenční	

Předpokládaný název práce v češtině:
Trendy v interkulturním marketingu: Recepce firmy Starbucks ve Francii a v Česku

Předpokládaný název práce v angličtině:
Trends in Intercultural Marketing: The Reception of Starbucks in France and Czechia

Předpokládaný termín dokončení (semestr, akademický rok – vzor: *ZS 2012/2013*):
(diplomovou práci je možné odevzdat nejdříve po dvou semestrech od schválení tezí)
LS 2016/2017

Základní charakteristika tématu a předpokládaný cíl práce (max. 1000 znaků)**:**
The purpose is to analyse Starbucks' marketing strategy in France and Czech Republic and to find out which adjustments to the local market are suitable. This is achieved through an analysis of the local lifestyles, namely coffee drinking habits with reference to Hofstede's cultural dimensions. The findings are backed up by primary research. The aim is to establish what are the differences in perception of Starbucks by customers in European countries with different historic and cultural backgrounds and whether these differences affect the reception of the big international brand in these countries.

Předpokládaná struktura práce (rozdělení do jednotlivých kapitol a podkapitol se stručnou charakteristikou jejich obsahu)**:**
1. Introduction - intercultural marketing trends, glocalization
2. The French and the Czech - cultural dimensions (Hofstede); values, lifestyle, dining and coffee drinking habits
3. Starbucks - mission, values; American style of coffee drinking (backed by the American values and cultural dimensions)
4. Starbucks in France and Czechia - history; numbers; product customisation and marketing; intercultural comparison; Nantes
5. Research - how do the French and the Czech like their coffee; feelings toward Starbucks
6. Conclusion

Vymezení zpracovávaného materiálu (např. konkrétní titul periodika a období jeho analýzy)**:**

The strategy of Starbucks France is going to be examined from the date the company entered the French market onward (2004–to date). When describing intercultural marketing trends, I will attempt to be as contemporary as possible. Any primary research and interviews conducted in the current year (2016–2017).

Postup (technika) při zpracování materiálu:

When speaking about cultural dimensions, I am going to use secondary data collected by Hofstede and his followers in their research.

The primary research is going to be conducted online, using an online form/questionnaire. Most of the questions of this quantitative research are going to have closed or multiple choice answers.

A high positioned employee of Starbucks is going to be interviewed online with the use of social media and email conversation. The answers are then going to be analysed and backed up by data from academic literature and my primary research.

Základní literatura (nejméně 5 nejdůležitějších titulů k <u>tématu a způsobu jeho zpracování</u>; u všech titulů je nutné uvést stručnou anotaci na 2-5 řádků)**:**

Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations.- Geert Hofstede, 2000
The Second Edition of the ultimate work introducing Hofstede's cultural dimensions explores the differences that exist among the nations. It covers the international differences in values, behaviors, institutions, and organisations.This publication is going to provide the complete understanding of the cultural dimensions and their use in future research and theory making. If understood correctly, the work shall let me implement the cultural dimensions onto the French culture in proper manner.

Marketing Across Cultures - Jean-Claude Usunier, Julie Anne Lee, 2013
This extensive publication is divided into 4 parts, each focusing on different variables of the construction of marketing strategy in the global environment. It provides many case studies and examples, some even specifically mention France and others the global giant of Starbucks. Chapter 7 *"Cross-cultural market research"* is going to be used as a guide during the preparation of my research of French consumer behaviour.

Hofstede's dimensions of culture in international marketing studies (Journal of Business Research) - Ana Maria Soares, 2007
This article from the Journal of Business Research examines different approaches to conceptualising and operationalising culture in marketing studies. It discusses the advantages of using Hofstede's cultural dimensions as well as showing how to measure culture at the individual level. It has been chosen to guide the operationalisation of culture in the conducted analysis. I am going to follow the author's experience and tips while transposing Hofstede's theory onto the French culture.

Au contraire!: figuring out the French - Gilles Asselin, Ruth Mastron
Written by Gilles Asselin, a consultant for executives and businessmen who need to succeed in an intercultural environment, describes his rich experience with working with different cultures. The book contains practical advice about how to interact with the French and what the cultural consequences are that require this behaviour.

Consuming caffeine: The discourse of Starbucks and coffee (Consumption Markets & Culture) - Charlene Elliott, 2001
This article analyses the marketing of coffee as a commodity in the globalised world. Marketing of Starbucks' gigantic coffee chain is explored through analyses of press releases, packaging and other means of communication. I believe that this article will help me to reach a better understanding of coffee industry and its marketing.

Intercultural Communication: an advanced resource book for students - Adrian Holliday, Martin Hyde, John Kullman, 2010
This publication includes a collection on various essays and articles which are united by the theme of cultural studies and communication. Some of the authors of this publication are speaking about the impact language has on the intercultural communication which is going to complete my understanding of intercultural communication as a whole.

Not a simple coffee shop: local, global and glocal dimensions of the consumption of Starbucks in China (Social Identities: Journal for the Study of Race, Nation and Culture) - Jennifer Smith Maguirea, Dan Hub, 2013
I am going to use this article as a source of inspiration. It examines how Chinese customers engage with Western brands, specifically Starbucks. After a close look on the structure of the analysis, I may be able to follow it as a guideline.

Cross-National Comparison of Consumption Values (Journal of International Consumer Marketing) - Tahi J. Gnepa & Alfred Petrosky, 2002
Using data collected in the United States, France, and the Ivory Coast, this article investigates how the size of the economy influences the consumption values. Various commodities are examined which is why I believe that this study can be used to back up the comparison of Starbuck's values (United States) and the French ones.

Convergence and divergence in consumer behavior: implications for international retailing (Journal of Retailing) - Marieke de Mooij, Geert Hofstede (2002)
Although the technology and infrastructure is converging, the consumer behaviour is becoming more heterogeneous rather than homogeneous as could be expected. This article expands this theory with the use of Hofstede's cultural dimensions and gives examples of the differences of consumer behaviour across countries. I am going to use this article because of its implications for international retailing.

The French Way: Aspects of Behavior, Attitudes, and Customs of the French - Ross Steele
An anthropological description of the ways in which the French interact and live their lives. This book is a guide to the French habits, customs, attitudes, tastes and common myths. It has been written by an internationally renowned expert in French culture, Ross Steele. I believe that it will be very helpful in the portrayal of the French as it can complement the analysis of cultural dimensions with some background information.

Diplomové práce k tématu (seznam bakalářských, magisterských a doktorských prací, které byly k tématu obhájeny na UK, případně dalších oborově blízkých fakultách či vysokých školách za posledních pět let)
• Marketing Strategy for Starbucks café in the Ukrainian market (Oleksandra Nikitina)
• Postoj českého zákazníka vůči značce Starbucks na českém trhu (Lucie Poláková)
• Marketingová komunikace v mezinárodním kros-kulturním prostředí (Valeriya Anikienko)
• Marketingová strategie společnost Plzeňský Prazdroj, a.s. na francouzském trhu (Alena Křečková)
• Kulturní aspekty mezinárodní marketingové komunikace společností L'Oréal a Oriflame (Petra Kredatusová)
• Pragmatizace globálního mediálního titulu: glokalizace a lokglokace (na příkladu české a francouzské verze Elle) (Gabriela Rosová)
• Globalizace a glokalizace v soudobém mediálním světě na příkladu reklamní kampaně Absolut vodky (Alena Uhlířová)

Datum / Podpis studenta/ky

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TUTO ČÁST VYPLŇUJE PEDAGOG/PEDAGOŽKA:

Doporučení k tématu, struktuře a technice zpracování materiálu:

Případné doporučení dalších titulů literatury předepsané ke zpracování tématu:

Potvrzuji, že výše uvedené teze jsem s jejich autorem/kou konzultoval(a) a že téma odpovídá mému oborovému zaměření a oblasti odborné práce, kterou na FSV UK vykonávám.

Souhlasím s tím, že budu vedoucí(m) této práce.

'LLIMES PAVD   27.5.16

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pedagoga

TEZE JE NUTNO ODEVZDAT **VYTIŠTĚNÉ, PODEPSANÉ** A VE **DVOU** VYHOTOVENÍCH DO TERMÍNU UVEDENÉHO V HARMONOGRAMU PŘÍSLUŠNÉHO AKADEMICKÉHO ROKU, A TO PROSTŘEDNICTVÍM PODATELNY FSV UK. PŘIJATÉ TEZE JE NUTNÉ SI **VYZVEDNOUT** V SEKRETARIÁTU PŘÍSLUŠNÉ KATEDRY A **NECHAT VEVÁZAT** DO OBOU VÝTISKU DIPLOMOVÉ PRÁCE.

TEZE SCHVALUJE NA IKSŽ VEDOUCÍ PŘÍSLUŠNÉ KATEDRY.

Contents

Introduction

Globalisation, the process of increasing social, cultural, political, and economic interdependence, has resulted in several changes in the field of marketing. The global market represents assorted opportunities as well as threats (Thoumrungroje, 2004, p. v). While the increase in market potential, trade and investment potential, and resource accessibility are very attractive to companies, the wider range of competition and heightened levels of uncertainty prevent many from entering the global marketplace. Starbucks is one of the companies that has successfully expanded to new territories and convinced many diametrically different cultures to accept and worship its brand and products.

This was not only the case of Starbucks but also of many other iconic American brands. Consequently, globalisation is often correlated with the term "Americanisation," to describe the success with which American enterprises have colonised cultures, spreading their American products and ideas around the globe, and, as some would argue, causing the homogenisation of cultures. Another synonym for this phenomenon is "Westernisation". The universal civilization which is supposedly the outcome of globalisation is assumed to be based upon values and patterns of consumption which are mainly Western or American in origin. (Mooij, 2014, p. 7) Nonetheless, this represents only one side of the argument. Mooij believes that the discourse surrounding globalisation in marketing is in and of itself responsible for that fact that globalisation is being viewed as Americanisation. (2014, p. 7) The discourse and the marketing theory essentially, "is dominated by Anglo-Saxon authors". (Mooij, 2014, p. 7) The most obvious examples for these authors are giant enterprises such as Coca-Cola, McDonald's, or Starbucks which aggressively penetrated the global markets. (Quelch in Mooij, 2014, p. 7)

This dissertation will focus on the American coffee giant Starbucks and its marketing strategies in two specific European markets, which are frequently targeted by American brands: France and the Czech Republic. As of today[1], Starbucks operates 24,464 outlets in 72 countries and territories. The opening of the first branches of Starbucks in France in 2004

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[1] Last update of Loxcel Starbucks Store Locator: 7-7-2016. Available from: https://www.loxcel.com/sbux-faq.html.

and in the Czech Republic 4 years later, in 2008, were natural consequences of the brand's rapid expansion. Both France and the Czech Republic have a rich history and distinctive identity that affects people's everyday choices. France has been chosen for its strong coffee drinking culture and nationalistic tendencies. Both of these factors can be expected to play an intriguing role in the acceptance of an American coffee brand in this country. The Czech Republic, with its unique geographic and cultural location as the pivot between Western and Eastern Europe, serves as a useful country of comparison.

A focal point of this dissertation is the concept of the 'third place'. This was first introduced as a theory in 1989 by Ray Oldenburg in his book *The Great Good Place*, which describes the environment where people spend time and interact outside of their homes (first place) and workspace (second place). The expectations of the third place differ from culture to culture. However, the third place is generally sought by people to interact and socialise without the pressure of establishments officially instituted to provide for these social needs. Starbucks aims to serve as a third place for its customers. According to Howard Schultz, the founder of Starbucks, the brand's supposition of the third place is derived from a European concept. It was in Italy where Howard Schultz decided to turn Starbucks into an atmospheric coffee house chain.

The aim of this dissertation is to study the Gallic culture and assess the significance of the concept of the third place to the French. This is achieved through a cultural analysis with reference to Hofstede's cultural dimensions. A primary observational ethnographic study will analyse the ways in which Starbucks is consumed as a third place in the studied country.

On account of culture only existing by comparison (Hofstede, 2001, 1–36), the observation and analysis of France's national culture is going to be compared and contrasted (or perhaps correlated) with the Czech Republic. The Czech national culture is also going to be studied with reference to Hofstede's dimensions of culture and the consumption of the third place is going to be observed in a similar fashion to France.

All this being said, the global marketplace undoubtedly embodies an enormous and exciting challenge for marketers. Standardisation versus adaptation is the central question when

sketching a strategy for entering new markets. The purpose of this paper is to find to what extent can a global brand such as Starbucks cater for the personal needs of the customers and whether the path leads through standardisation or adaptation to the local culture.

This dissertation is broken down into multiple sections. The first part is theoretical and its objective is to define several concepts and terms which are often referred to throughout the chapters of this paper. *Values* and *culture* are extremely abstract terms that can be defined in many ways. In order to avoid misunderstanding, these terms will be defined at the beginning of the thesis before proceeding to the description of the cultural dimensions theory by Geert Hofstede which is going to be used as a main tool for learning the differences between the different countries and cultures that are going to be examined. Definitions are sourced mainly from academic literature written by Hofstede and his fellow researchers including Mooij. As a marketing orientated piece of research, this decision is based upon Hofstede's authoritative work across various topics under the umbrella of marketing.

The second chapter presents a descriptive narrative of Starbucks, starting with basic background facts before advancing to the brands' positioning, philosophy, and values. Information will be drawn from official branded sources as well as from a range of academic and non-academic literature relating to the coffee giant, namely *The Starbucks Story: How the brand changed the world* by Simmons. The concept of the third place is also going to be portrayed in this chapter, primarily with the help of Oldenburg's *The Great Good Place,* where third place was first introduced. This subchapter tends to overlap with the field of sociology and its polemics about whether Starbucks represents a third place and about the meaning of a third place are included. Authors cited include Jurgen Habermas, for instance.

Later the thesis progresses to an application of previously described concepts onto the examined environments with a research extending the understanding of the brand's strategies and the consumer behaviour. The practice includes document analysis, interviews and in-store observation. How the methods are combined is described in detail in the methodological chapter along with a full list of research questions. The hypotheses that this dissertation seeks to support or refute are:

1. Starbucks doesn't replace the local culture but is rather an addition.

2. Due to the global size of Starbucks the brand is perceived in similar ways in France as in the Czech Republic.

3. The use of Starbucks as a third place varies in relevance to the national dimensions of the studied countries.

1. Theory

Foremost, the terms *values* and *culture* will be defined and they will be attached to the field of marketing. Modern study of marketing heavily depends on the study of values. In *Marketing 3.0,* Kotler (2010, p. 4) defines the current tendency of the field as values-driven marketing. Values are also a key indicator of cultural differences and therefore an understanding of the term is essential before advancing.

1.1 Values

In marketing, values differentiate products and brands. Positioning and segmentation of brands is based on values, so do values play first fiddle in advertising. Values are "broad tendencies to prefer certain state of affairs over others." (Hofstede, 2001, p. 5) This definition is a simplification of the more precise definition by the cultural anthropologist Kluckhohn: "A value is a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means and ends of actions" (1951, p. 395) And it also complies with Rokeach's definition of value: "an enduring belief that one mode of conduct or end-state of existence is preferable to an opposing mode of conduct or end-state of existence" (1973, p. 5). As the definitions imply, values indicate what is preferable. Hofstede also calls them "feeling with arrows to them" (2001, 6). By that, Hofstede means that each has a plus or minus mark associated with it, and that represents on which side of the polar spectrum of preferences it stands. Some examples may be: evil versus good; ugly versus beautiful; moral versus immoral. Another example of two opposing poles is rational versus nonrational. Rationality is a concept strongly based on the way we develop our values. They are programmed early in our lives and therefore they are nonrational. Although to us, our own values mostly feel perfectly rational.

When discussing values, we must note a very important distinction. Values are either what is *desired* or what is *desirable*. Desired is what people actually desire and desirable is what people think they ought to desire. Despite not being independent, the desired and desirable can even oppose each other. Perplexing the two aspects can lead to "a confusion between reality and social desirability" (Hofstede, 2001, p. 6) This dispute is being referred to as *value*

paradox and plays a role in the study of cultures and also in marketing practice. Researchers, especially sociologists and anthropologists, often treat this facet as a "noise" in their measurements. This has to be beared in mind when seeking understanding of any research. Another difficulty in researching values is interpreting what people say from the linguistic point of view. The words that express values have abstract meanings which makes them difficult to translate. Furthermore one word "may serve as a label of a value in one culture but be the label of a different value in another" (Mooij, 2014, p. 63). Projections of this are also to be found in marketing, especially when it comes to difficulties with translating an advertising copy.

1.2 Culture

Culture is an uncommonly arduous term to define. It is used in many disciplines; art and biology are only two of them; for the purpose of this dissertation culture is to be defined from the view of social anthropology. There is a widely accepted definition of culture put together by Kluckhohn, it reads: "Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values." (Kluckhohn, 1951, p. 86) In his work *The interpretation of cultures* the cultural anthropologist Geertz views culture as a set of control mechanisms for governing of behaviour. (1973, p. 44) These mechanisms are plans, recipes, rules, instructions and so on - the equivalent of what we would call "programs" in computer science. Hofstede treats culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another" (2001, p. 9). In this paper, the word culture is to represent what tethers groups together. Cultural patterns allow people to live together. Culture does not characterise an individual; it subsumes a group of people who are conditioned by the same upbringing. This being an education and life experience. (Hofstede, 2010, p. 5)

1.3 Manifestations of Culture

Culture manifest itself in visible elements. Often the background of a group or an individual only becomes apparent from their behaviour. Until then, the values are invisible. The visible manifestations of culture are most commonly addressed as *values, rituals, heroes* and *symbols*. Hofstede puts them into an "onion diagram" (2001, p. 11), each of them represents a single layer - values at the core and symbols being the most superficial one. We can derive what is the meaning of each of the elements from their position in the diagram.
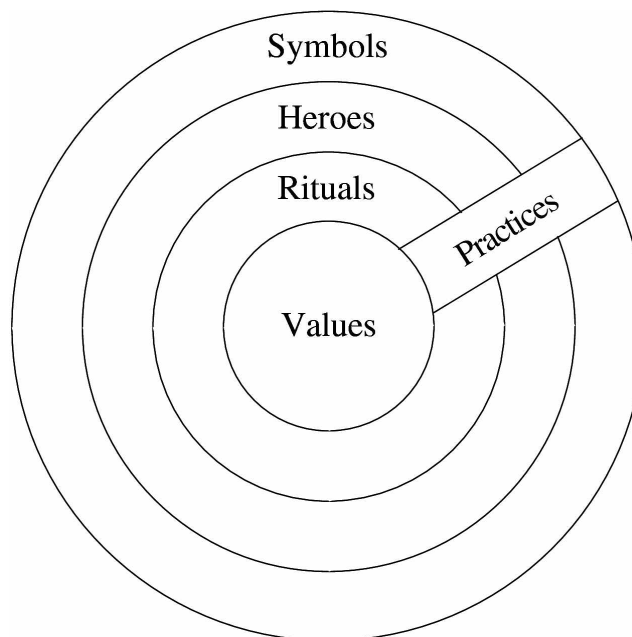
Figure 1: The "Onion Diagram": Manifestations of Culture at Different Levels of Depth (Hofstede, 2001, p. 11)

Values, which have been defined in previous section of this chapter, are the deepest, least apparent, manifestations.

Rituals - although they are technically considered to be unnecessary - are socially essential collective activities. They are carried out for their own sake (Mooij, 2014, p. 63). Greeting people in a certain way often serves *only* to pay respect to others. Religious ceremonies are another example. Even business and political meetings sometimes provide only one rational purpose: the ritual of proclaiming the leader.

Heroes are "persons, alive or dead, real or imaginary, who possess characteristics that are highly prized in a culture and thus serve as models for behavior" (Hofstede, 2001, p. 10). It is becoming very common that fictional characters serve the purpose of a cultural hero to a nation. It is for example Astérix in France, Hello Kitty in Japan, and Marvel superheros in the United States. It is being discussed who is the national hero for the Czechs. With the ambition to find the ultimate Czech role model, a contest called *The Greatest Czech* has been organised in 2005. The poll was originally won by the fictional universal genius Jára Cimrman, who was then disqualified and the first places have been taken by former rulers of the country: Charles IV., Thomas Garrigue Masaryk and Václav Havel.

Symbols are "words, gestures, pictures, or objects that carry a particular meaning recognized only by those who share a culture" (Mooij, 2014, p. 62). Examples include words of a language or slang, dress, flags, status symbols, and brands. Symbols come and go - new ones appear every day, the old ones disappear, conversely are adopted or copied by different culture, which is the reason for symbols to be pictured as the top layer of the diagram. Starbucks, as well as McDonald's and Nike, is an example of a brand that has become a global symbol. Yet it may evoke different associations for Americans than it does for the French, the Czechs, or the Chinese.

Rituals, heroes, and symbols are in the diagram subsumed under the term *practices*, sometimes also referred to as *expressions*. This means that to an outside observer they are visible while their cultural meanings stay invisible and "lie precisely and only in the ways these practices are interpreted by insiders" (Hofstede, 2001, p. 10) of the culture.

All of these manifestations play an important role in intercultural marketing. Heroes for example are often used as role models who recommend certain product. Either by being pictured on the cover or actively promoting it in adverts and at promotional events. However even the popularity of celebrity marketing differs around the world. In Japan, 85% of adverts involve a celebrity or a character, it is only 20–25% in the USA and Great Britain, 10–15% in the Czech Republic and Slovakia. The least celebrity accommodation can be found in the countries of Scandinavia and Canada. (Matoušková, 2016)

Advertising often displays the rituals around products and brands. Brands are part of a ritual, and advertising helps to create the ritual. (Mooij, 2014, p. 63) Rituals are designed and used to differentiate brands and products on the market. Only one type of cookie is broken in halves, licked, and dipped in milk before eating. Only on brand of beer is drank after having pushed a piece of lime into the long neck of the bottle. Advertising often reflects the local artifacts of culture - how people behave, interact, how they look, what they eat, how they dress, and what they do in their free time.
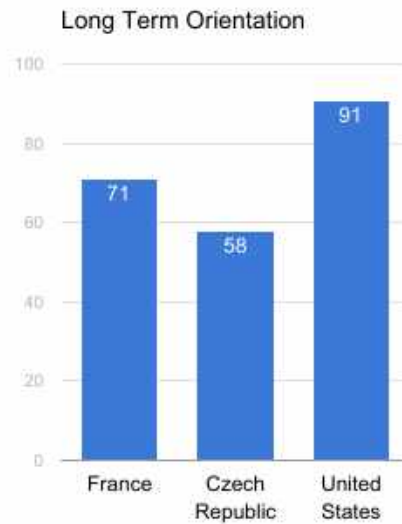
2. National Culture: Hofstede's Cultural Dimensions

One of the most comprehensive studies of national cultures has been conducted by professor Geert Hofstede between 1967 and 1973. In this research Hofstede studied how workplace values are influenced by culture. By analysing a database of tens of thousands of IBM employees across various countries, Hofstede discovered patterns in values leading back to the employees' country of origin. Based on the findings, Hofstede and his co-researchers developed the theory of four dimensions of national culture[2]. Originally, only data from 40 countries were used. Later, more countries were added, either directly through Hofstede's research or by replications of the study by his followers. Therefore, not all of the data were collected at the same date, however as culture is thought to change slowly, all the data may be considered up to date.

Countries' scores according to the dimensions are relative and only acquire meaning when used in comparison. Similarly, as was stated on previous pages, culture does not characterise an individual but a group of people. The cultural dimensions represent independent values that are typical for a national culture, rather than for an individual. The scores itself therefore lose significance unless used in comparison with at least one other country.

The scale of scores for each dimension stretches between 0–100. By scoring under 50, the score is considered relatively low, by scoring over 50 the culture scores relatively high on the scale. In the case of the scale of individualism, by scoring under 50 a culture is considered relatively collectivist. For example France, the Czech Republic, and the United States all score over 50 and are therefore considered individualist cultures. However with the score of 91, the US comes out as more individualist than France (scoring 71) and both come out as more individualistic than the Czech Republic which scores 58. (Countries - Geert Hofstede)

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[2] The four dimensions are: *power distance, individualism, masculinity, uncertainty avoidance.* 2 more dimensions were added later, in the 80's *long term orientation* and *indulgence* in 2010. This dissertation only refers to the 4 original dimensions.

Graph 1: Created by the Author. Source of data: Countries - Geert Hofstede [online].

In this dissertation, Hofstede's dimensions of national cultures will be used as a tool for comparison. Numerous research questions are going to be based on the application of the favoured method because of its avoidance of deducting from cultural stereotypes. A layman may guess the scores of culture's dimensions wrongly as a result of assumptions based on unfounded stereotypes. An example of a wrong assumption is basing a guess on the stereotype of the Spanish lack of punctuality and therefore scoring low on the uncertainty avoidance spectrum. However, the scores are based on more tangible facts, and the Spanish actually score 86 points in this regard, making it one of the highest scoring countries for uncertainty avoidance (Spain - Geert Hofstede).

Each of the 4 dimensions that are going to be used for comparison later in this dissertation are described in the upcoming paragraphs. The definitions and descriptions are sourced from Hofstede's *Cultures and Organizations: Software of The Mind* (2010) and *Culture's Consequences* (2001).

2.1 Power distance

This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally (Hofstede, 2001, p. 79). In cultures scoring

high in this dimension, the hierarchy is accepted even with no justification. The societies that score low demand equality of power and explanations for all the possible inequalities.

2.2 Individualism

High scoring societies prefer a loose social framework in which each individual is expected to take care of their own needs, and people's self-image is defined by the term "I". At the opposite end of the spectrum stand the collectivistic societies where individuals expect help from their relatives or members of other in-groups they belong to, and the people define themselves as "we".

2.3 Masculinity

High masculinity characteristics within a culture are manifested through competition and focus on achievement, heroism, assertiveness, and material rewards for success. The opposite side of the scale is referred to as femininity. Feminine cultures are more consensus-oriented and prefer cooperation, modesty, caring for the weak, and quality of life. The dimension of masculinity also reflects opinions about the currently hot-topic of immigration. While masculine cultures think refugees should be assimilated, feminine cultures lean towards integration. Interpretation of religion is also affected; the gods in masculine cultures tend to be more strict whereas gods of feminine cultures promote treating neighbours with care.

2.4 Uncertainty Avoidance

This dimension expresses the attitudes towards ambiguity. Different scores on the spectrum are related to how societies deal with the fact that the future is unknown. High uncertainty avoidance index can be found in countries with strong beliefs, set behavioral codes and strict rules. Countries with low uncertainty avoidance index are generally more relaxed about their principles.

3. Appeals in Advertising

The theory described in the preceding chapters may be used to analyse whether an advertisement is suitable for targeted culture. To determine the suitability, it is necessary to understand the role of all of the elements of the advertisement; these elements are referred to as *appeals*. Fowles (2001) has examined hundreds of advertisements and discovered that each ad is a variation on one of the following emotional appeals. According to Fowles, advertisements can appeal to the 15 following needs: need for sex, need for affiliation, need to nurture, need for guidance, need to aggress, need to achieve, need to dominate, need for prominence, need for attention, need for autonomy, need to escape, need to feel safe, need for aesthetic sensations, need to satisfy curiosity, physiological needs: food, drink, sleep, etc.

Each appeal includes values and motives that define the central message. (Mooij, 2014, p. 271) Thus in each culture, advertising may appeal to different needs. Appeals reflect the values of the target audience. However, appeals cannot be studied and applied easily as they are always relative not only to the target culture but also to the culture of the observer. This is a place where the value paradox also plays a role. In virtue of the difficulties, obstacles and irrelevancies described by Mooij and Hofstede (2010, p. 102), only superficial conclusions may be made upon the observation of advertising appeals and therefore the method is not going to be employed in this dissertation.

3.1 Marketing

Talking of advertising, it shouldn't be neglected to tackle the definition of the associating topic of this dissertation: marketing; and to define how the field is approached in this paper. Having dealt with values, culture and the many other dimensions that help define people around the world, it is clear that a global brand cannot communicate to all of them through one advert. The disciplines that are employed to communicate with people around the world are called international marketing, intercultural communication, cross-cultural communication etc. While they may use various tools and strategies, involve different key steps, and are influenced by different factors, all are based on similar fundamental marketing principles. The essential nature of any form of marketing is to satisfy and retain customers.

The latest definition from the American Marketing Association holds that "marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for consumers, clients, partners, and societies at large" (Definition of Marketing).

Over time, the practice of marketing has taken on a multitude of roles. There are many economic theories, but perhaps the most cited theorist is Philip Kotler, whose theories incidentally are also the most relevant in this case. Kotler classifies marketing throughout history as Marketing 1.0, Marketing 2.0, and Marketing 3.0. Marketing 1.0 was primarily practiced during the industrial age and is a product-centric model. Back then, marketing "was considered as mere selling, an art of persuasion, and even cheating." (Kotler, 2010, p. 3) Marketing 2.0 put the customer at its core, an approach in which the customer is exposed to a large number of marketing messages which are passively accepted. However in Marketing 3.0 the customers are treated as "whole human beings with minds, hearts, and spirits." (Kotler, 2010, p. 4) Considering the space it affords to taking values and culture into account, it follows that the latter marketing concept is the one upon which this paper is based. Typical features of Marketing 3.0 are the identification of brand's missions and visions. These are sought by the customers who not only look for fulfillment of their human functions but also of their human spirit and philosophy. However, Marketing 3.0 impacts beyond what happens to individuals (Kotler, 2010, p. 17); included in the updated definition, "society" brings to recognition the marketing influence on the development of cultures.

Another marketing dimension undergoing rapid growth due to economic developments is services marketing, which is increasingly coming to the fore as the tertiary sector expands and gains importance. It involves a wide spectrum of intangible activities including direct and intensive contact with the customer whose satisfaction is in the central interest. The extensive coordination of marketing tools is a specific feature of services marketing, and one which manifests itself prominently in Starbucks' marketing strategies.

The *marketing mix* is the most common tool (or a set of tools) for defining the marketing objectives of any brand, mark, service or a single product. With the help of the 4P's that stand for *Product*, *Price*, *Promotion*, and *Place* (sometimes adjoined by *People* to create 5P's)

the target market can be defined along with unique selling points of the product, its distribution, and position on the market.

The study of marketing is an interdisciplinary academic subject. Marketing practice is affected by economics, psychology, sociology, and other sciences in everyday decisions. In this dissertation, to fully understand the concept of the third place, the field of marketing is examined primarily through the prism of sociology and anthropology.

4. The Third Place

The third place is a theory that was first introduced by Ray Oldenburg in his publication *The Great Good Place: Cafes, Coffee Shops, Bookstores, Bars, Hair Salons, and Other Hangouts at the Heart of a Community.* The author describes the significance of hangouts, where people choose to spend their time apart from home (first place) and work (or school; second place) for society in general and individuals. The consumption of the third place widely depends on the societal culture, and Oldenburg portrays multiple historically and geographically defined dens in order to give an overview of the evolution (or downfall) of the third place (Oldenburg, 1999). The cultural setting is a factor of importance as the socialising needs of members of different cultures affect the expectations of the third place, its significance and even whether it is actually present and understood by the society.

The third place is habitually a semi-public location accessible to anyone for free. The dichotomy of public and private was previously described by Habermas in *Structural transformation of the the public sphere* where he considers the 19th century English and French coffee houses, historically significant third places, to be the representation of ideal society where the citizens were involved in the political decisions and other events of the public sphere. The coffee house was a place specific for its high level of inclusion. Anyone was welcome to enter the place and join the conversation, no topic was tabooed. This was possible after the democratisation of literature and culture. Many of these places were publishing its own newspaper or issuing other newspaper-like formats. This fact illustrates the reach and significance of the conversations that took place inside.

Habermas argues that the downfall of the nearly utopian society was precipitated by the growing capitalism, individualism and massification of everyday life. He calls the society that is being transformed into a new, worse shape "refeudalised." (Habermas, 2000)

4.1 Character of The Third Place

Oldenburg provides a list of characteristics of the third place which are later going to be used as a checklist in the investigation of to what extent Starbucks presents a third place to communities in the two studied cultures.

Neutrality demonstrates the social verity that even if one really likes his friends, he can enjoy their company the most if joining them but also departing them is simple. The sociologist R. Sennett explained how "people can be sociable only when they have some protection from each other." (Sennett in Oldenburg, 1999, p. 22) According to the author, third places also serve as a *leveler*; everyone is equal inside (Oldenburg, 1999, p. 22). Another characteristic is *conversation*: "A comparison of cultures readily reveals that the popularity of conversation in a society is closely related to the popularity of third places." (Oldenburg, 1999, p. 26) This has been backed up by Tibor Scitorsky who points out that most customers of pubs or cafés are there clearly for socialising than just drinking a beverage (Scitorsky in Oldenburg, 1999, p. 26). *Accessibility* and *accommodation* also relate to socialising; opening hours tend to be long because the place must be available for socialising and relaxation "in the intervals before, between, and after (people's) mandatory appearances elsewhere," (Oldenburg, 1999, p. 32) which also explains the importance of proximate locations. *Regulars* affect how accepting the place is to new visitors, because according to Oldenburg it doesn't matter how welcoming is the staff until the regulars are welcoming. A characteristic which doesn't necessarily concur with the topic of this dissertation is the *low profile* of third places that is a result of the places not being advertised and kept plain, unattractive to non-regulars. Unlike new places, often chains (such as Starbucks), these places don't overwhelm visitors with policies that are often implemented to discourage hangouts. However it could be argued that for example Starbucks as a representative of the new chains undoubtedly aims for the rather opposite: encouraging people to hangout for as long as they want and be their "local". Other characteristics are the place's p*layful atmosphere*; an atmosphere less serious than other places people spend time at, and the psychological support and comfort thanks to which the place becomes a *home away from home* (Oldenburg, 1999, p. 36).

To conclude, the third place is by many considered to be an important concept and the absence of which affects the evolution of the public sphere. Comeback of the third place is a challenge for the social and urban engineers.

5. Understanding Starbucks

As talking about all aspects of Starbucks would fill a whole room with pages of dissertations, this paper focuses primarily on the international aspect in the concept of third place. That itself is a big part of Starbucks and its communication. The objective of the next section is to briefly introduce the brand and describe its philosophy. Selected criticism of the brand is also included to give an idea of the threats.

5.1 History and Background

Starbucks is an American premium coffee brand founded in 1971 in Seattle, Washington. Starbucks started as a shop selling freshly roasted coffee beans. Even back then, when the only business of the company was supplying roasted coffee beans, each visit of the shop was an experience. The customers were shown how to brew their coffee at home to reach the best taste. The aim of the founders of Starbucks was to educate their customers, to make them want only the best quality and to taste the nuances between different species of coffee. The store was not a coffee bar but coffee was being prepared for customers for degustation. (Simmons, 2012)

Nowadays, Starbucks is mainly recognised as a coffeehouse chain. First drink was served in 1984, two years after Howard Schultz, the father of the brand as we now know it and current CEO, joined the company in 1982. The idea to serve actual coffee drinks came after Schultz's trip to Italy. The popularity of local espresso bars inspired the founder to build a similar coffeehouse culture in Seattle. Three years after opening the first café, Starbucks was already running 17 outlets, including one in Canada. (Starbucks Company Timeline)

The name Starbucks is inspired by Herman Melville's novel Moby Dick and is meant to evoke "the romance of the high seas and the seafaring tradition of the early coffee traders." (Starbucks Company Profile) Later, one of the co-founders Gordon Bowker admits that the resemblance to sea is just a coincidence and wasn't something the founders initially aimed for (Allison, 2008). Notwithstanding, the company's logo is a two-tailed Siren inspired by a medieval Norwegian woodcut. The logo underwent multiple simplifications, latest one in 2011 which "liberates the Siren from the outer ring" (Steve M., 2011) and thus made

the logo more international - understandable even for cultures that use different than the Latin alphabet.

Starbucks' mission statement is: "To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time" (Mission Statement). By stating this Starbucks commits to connect with every customer individually and build personal relationships.

5.2 Products

The range of products offered by Starbucks is wide with coffee still being the brand's main article. While traditional hot coffee drinks such as latté are still the most seeked products (Mendez, 2016), iced coffee beverages are attracting more and more customers. The signature blend of coffee, milk and ice, known as Frappuccino has been introduced in 1995 and instantly became a hit. In California where the drink was invented, Frappuccino is a best-seller.

Besides from satisfying thirst or need of caffeine, customers come to Starbucks for other experiences. The outlets are furnished with cosy furniture to relax but also offer sturdy chairs and tables to work at. Thanks to the free Wi-Fi service, Starbucks is frequented by students and freelancers. The atmosphere is accentuated by light jazz music which makes the place popular for dates and hanging out with friends. Because of its neutrality, the coffee houses are also used for business meetings.

Getting a Starbucks drink is a ritual. Every customer, regardless their origin or geographical location of the branch, has to use Starbucks' original language. For indicating the size of requested drink, a mix of Italian phrases and American measurements are used. In order to get a large drink, customer has to order "venti". This plays role in many parts of the marketing strategy of the brand. One reason why even the smallest size is called "tall" is to make it look generous at all times (Krishna, 2005).

5.3 Expansion

As of 7th July 2016, there were 24,464 Starbucks stores in 72 countries and territories. 54.5 % of this number is located in the United States (13327 stores), 9.6 % in China (2359) and 5.9 % in Canada (1437), followed by Japan, Korea, and Great Britain. France has opened 121 stores since 2004 (0.5 % of the total) from which 70 % are located in Paris. The Czech Republic has 26 stores since 2008 (fraction of 0.1 % from the total). (Loxcel Geometrics)

The first outlet outside of North America was opened in Tokyo, Japan in 1996. (Szabo, 1996) Japan is for its admiration of Western culture often the first foreign market for American brands. Disneyland for example decided to start its world expansion in Japan as well. "The Japanese love American brands" (Szabo, 1996) but entering the market was still a challenge because of diametrically different consumer habits of the Japanese. For instance, the Japanese like to drink their coffee and eat their snacks and meals sitting down at a table, unlike the Americans, the Japanese they would not get their drink in a takeaway cup and drink it while walking down the street (Szabo, 1996). There were clear recommendations not to enter the Japanese market that could be summed up into three main objections: 1. No-smoking policy (strict for all Starbucks) would disenchant the young Japanese; 2. Japanese would not feel comfortable drinking coffee to-go; 3. High cost of real estate (Simmons, 2012, p. 126). No-smoking policy has been established in the interest of maintaining the highest quality of the product (coffee beans are highly absorbent) and has became a differentiating factor. Take-away coffee cups were a case of "try it and see" for Starbucks. And it succeeded owing to the admiration of the brand by the Japanese. Although the ratio of take-away and sit-in is still divergent to the one of the American market. In Japan, only around 25% of orders are consumed outside of the café, in the US it is 75–90%. (Simmons, 2012, p. 133) High cost of real estate was treated as an advantage. Since all of the residents of large Japanese cities live in such tiny flats, the bigger floor space Starbucks purchased and will converted it to an extension of local's homes. Today, Starbucks operates in 16 countries in the China/Asia Pacific region. (Loxcel Geometrics)

In Europe, Howard Schultz was trying to find the right fusion of cultures. In consideration of his initial tendency to "Europeanize the American rather than Americanize the European"

(Simmons, 2012, p. 57) with which Schultz opened the first coffee house in the United States, the question was how would the European accept this synthesis. First market to enter was the United Kingdom in 1998. Starbucks blended in the UK seamlessly by purchasing and rebranding 56 outlets of the UK-based Seattle Coffee Company (McDonald's Corp., 1999). Next European expansion added Austria and Switzerland to the list of countries where Starbucks operates, followed by Germany in 2001, Greece and Spain in 2002, and Cyprus and Turkey in 2003. (Starbucks Company Timeline) Finally, in 2004, with a great turmoil about "how the French, with their strong opinions about coffee and Americans," (Simmons, 2012, p. 173) will accept it, Starbucks opened in Paris.

5.4 Criticism and Objections

One word that is being repeated in connection to Starbucks is *ubiquity*. It's omnipresence has been attracting the critics worldwide and resulted into Starbucks being used as an example of the "evil" during the anti-globalisation and anti-Americanisation protests and lead to some of its European coffee shops being trashed and left with smashed windows. The phenomena of Starbucks ubiquity is especially glaring in large cities such as New York, Paris, but even Prague where the company opens cafés literally a hundred metres away from each other, multiple stores within single shopping centre, and monopolises the market in this way.

It is necessary to disclose Starbucks' overall business strategy in order to understand its expansion. Starbucks never relied on heavy advertising to gain its market share off competitors, on the contrary it concentrates on "growing the overall market" (Simmons, 2012, p. 173). The brand defends itself that Starbucks by no means aims to have their competitors shut down, in fact, it urges the competitors to improve. By improving their services, local coffee shops offer greater choice for the customer and the market thrives.

Its reputation (especially in the UK and France) was damaged by tax-avoidance scandals. Starbucks claims not to be profitable in several European countries, including France (Mendez, 2014). The truth of this claim can now be questioned because of the tax scandal which has revealed that the Starbucks wasn't honest when exposing its incomes. A lengthy

report published by Reuters (Bergin, 2012) describes some of the giant's strategies. Be this as it may, Starbucks' rapid expansion suggests the brand's success.

On another note, Starbucks is being criticised for the quality of its coffee. Professionals say Starbucks over-roasts its coffee which leads to the loss of discerning nuances and bitter aftertaste. Testing by *Consumer Reports* has called Starbucks coffee "strong, but burnt and bitter" (McDonald's coffee beats, 2007) and ranked it behind its competitors, namely McDonald's.

5.5 Communication

This chapter doesn't aspire to analyse the marketing mix or every marketing strategy of Starbucks. It has already been mentioned that Starbucks has never depended on heavy above the line[3] advertising (e.g. Streštík, 2008), especially TV ads are used scarcely, by which it is differentiating itself from its competitors. Starbucks communicates through its mission statement, employees, products, pricing policy, partnerships, design of stores and with the heavy use of the green Siren logo.

Major part of Starbucks' communication takes place in-store. It does not only involve posters and other marketing produce, a striking element are the baristas who are well trained to act enthusiastically, address each customer personally and remember their names and orders if they return. The top class service and a high quality of the coffee are both publicised facets and somehow became inseparable from the bare product, the coffee. *Product, Price, Place,* and *Promotion*, the four P's of the marketing mix, blend into each other with the place being also the product and overlapping into promotion.

Each store in every country has to obey the uniform brand manual (Vojtová, 2017) which leads to full recognition of the brand's logo and colour patterns from afar. While conforming to the central code of rules, each store remains unique by the design tailored to enhance the specific features for instance an architecture of a historically important building, or cultural differentiators of the location.

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[3] Above the line advertising, also known as ATL, is a type of advertising using mass media such as TV, radio, the Internet, print, and outdoor.

To build brand awareness and brand loyalty, Starbucks relies on word of mouth. Most of its target group is well travelled and has encountered the brand before or has an image of it thanks to the heavy product placement in famous films.

5.6 Starbucks as The Third Place?

Starbucks positioned itself as the third place for communities. The third place is a concept for which Howard Schultz also found inspiration in Italian espresso bars: "a vision to bring the Italian coffeehouse tradition back to the United States. A place for conversation and a sense of community. A third place between work and home" (Company Information).

Opinions on Starbucks' third place role vary depending on the author. According to Simmons, Starbucks represents a place which is slightly less comfortable than home but more comfortable than work, neutral, and with "just enough hint of the exotic" (Simmons, 2012, 91) which would be the perfect third place setting. Coffee is always the center of Starbucks, however the café is often used primarily as a place to go spend time outside of home or work, secondary with a cup of coffee. It has been observed that "people go to Starbucks for a 'social feeling'," (Simmons, 2012, p. 90). By that is meant that even when they are on their own, the customers feel included in the social place. This is achieved by "the music, the seating, the level of ambient noise" (Simmons, 2012, p. 90) that allows customers to be sociable, but with no pressure to actually interact. Starbucks itself in its communication often relies on their stores to be more than just a place to buy one's daily dose of caffeine. Several publications which cannot be considered unbiased, contain inextricability of terms that together form the illusion of the third place. Among these publications is the bestseller *Pour your heart into it: How Starbucks built a company one cup at a time* written by the CEO of Starbucks himself, Schultz (1997; coauthored with Yang), several cookbooks such as *Starbucks passion for coffee: A Starbucks cookbook,* and the corporate website.

Howard Schultz repeatedly joins the terms *space* and *conversation* in his description of the Starbucks experience. Gaudio calls Schultz's communication a "construction of Starbucks as a 'third place' where people can relax and socialize away from the pressures of work and home," (Gaudio, 2003, p. 676) and objects that Starbucks isn't by definition a third place.

The company contributes to the cultural scene, not only by selling and promoting music, films and books, Starbucks is also a venue for film screenings and book readings. (Dominus, 2006) Through the selection of promoted artists, the company expresses its opinion and taste.

The concept of the third place is deeply entrenched in Starbucks' brand experience. The place, regardless if considered *third* or not by the academics, is an imprescriptible product for which a significant portion of customers stays loyal to the brand. A further analysis of to what extent Starbucks cater as a third place to its customers is initiated couple chapters later.

6. Application

In this chapter, Hofstede's cultural dimensions will be applied onto the countries of the proposed study, the Czech Republic and France. The application seeks to find convergences and divergences in the national cultures as a basis for the following research where the countries are subject of comparison. The findings of this dissertation rely on the differences and similarities between the cultures based primarily on the upcoming chapter.

6.1 Dimensions of The French and The Czech[4] National Culture
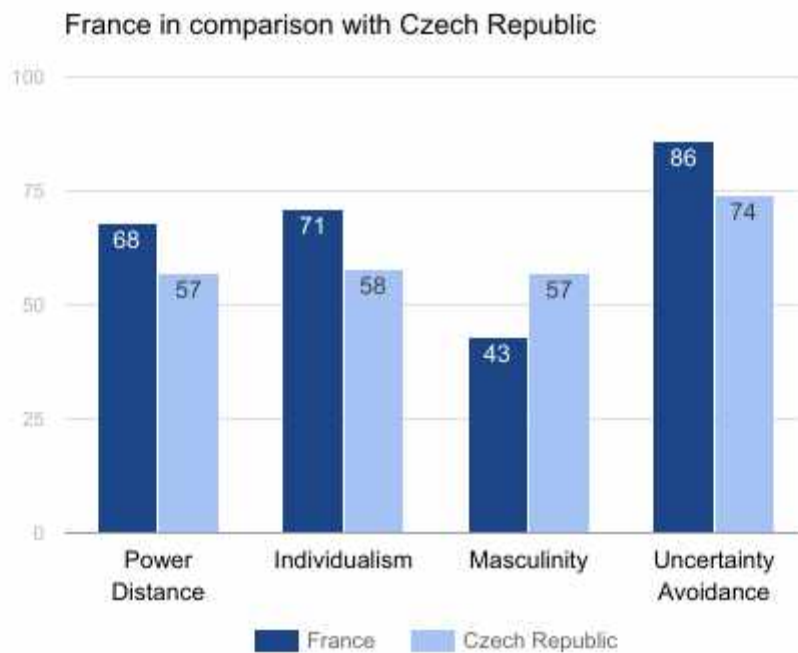
Graph 2: Created by the Author. Source of data: Countries - Geert Hofstede [online].

France scores relatively high on the power distance which means that the individuals in France are not equal and society accepts these inequalities. This is a product of the traditional upbringing of children to be dependent on their supervisors; parents, teachers, and

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[4] The data regarding the Czech national culture were not collected by Geert Hofstede himself but "have been added through research projects of other researchers or have been derived from data representing similar countries in combination with our practitioner experience." (Czech Republic - Geert Hofstede). As a matter of fact, other authors (Stach, Kolman, Světlík In: Stach, 2011) who have replicated the study following Hofstede's guidelines concluded to divergent numbers at each dimension.

later in their lives, their superiors. Power is centralised on all levels. Hofstede points out even the level of geographical centralisation - the network of highways, most leading to Paris. The Czech Republic has a relatively high score in terms of Power Distance which makes it a hierarchical society. It is expected to be told what to do by one's superiors and the inequalities in the culture don't need further justification. Power in the Czech Republic is also centralised but with a score of 57, the hierarchy is comparatively more lax than in France.

With a score of 71, France is considered an individualist society. The combination of high power distance and individualism is quite unique and contradictory. It can only be found in France, Belgium, Spain and northern Italy. This combination may be explained by the fact that the family has "more emotional glue than in other Individualist cultures" (France - Geert Hofstede). The distinction between private and professional life is very strong in France. Another reflection of this relationship is the formal obedience to the superior, showing respect to the boss, but revolting and rejecting others decision at the same time. The French believe that the way of achieving change is by strikes, revolts, and revolution. The famous French welfare system reflects the preference of the French to be dependant on the central government which represents "an impersonal power centre which cannot so easily invade their private life." (France - Geert Hofstede) By scoring 58 on the Individualism spectrum, the Czechs are considered a somewhat individualist society, a whole 13 points closer to the middle (border with collectivism) than France. This is for example reflected in the working environment where the relationship between employer and employee is based on mutual advantage. One is expected to take care of himself and his immediate family only, personal interests are the main leverages during the decision making process.

France is a somewhat feminine society which is again an indication of the "famous welfare system (securité sociale), the 35-hour working week, five weeks of paid holiday per year, and its focus on the quality of life." (France - Geert Hofstede) On the contrary a high score on the masculinity spectrum indicates that the Czechs "live in order to work" (Czech Republic - Geert Hofstede) and success is judged by performance and conquering the competitors, especially in a professional environment, rather than by caring for others and the quality of life. In the Czech culture, the emphasis is on performance and earnings rather than

on social ties. Masculinity presents the most polarised dimension between the French and the Czech culture and provides a footing for future study.

The Uncertainty Avoidance in France is very high. The French don't like surprises - structure and planning is required. If possible, they prefer to have detailed information in advance. This also explains extensive laws, rules and regulations. The combination of high uncertainty avoidance, high power distance, and high individualism mutually reinforce one another and require an emotional safety which is achieved by ventilation of emotions. An example of this phenomenon is French tendency to be talkative. The Czech Republic scores only a bit lower than France on this dimension. They also maintain plenty of rules, seek precision and punctuality, and stay fairly old-fashioned rather than pursuing innovation.

7. Practical Research

The practical part of this dissertation consists of document analysis, interviews and observational research that are examined in contrast with implications from the theoretical chapter. The analysed documents include press releases, reports, news articles, and interviews with high standing officials of Starbucks. The analyses aspire to discover the initial goals of Starbucks upon entering the French and Czech markets, the ways it wanted to reach the customers and how successful it was in reaching its objectives. After the synthesis with data gathered during the observation, it will be possible to draw conclusions about how effective the brand's communication and observed tactics are. Consequently, recommendations are provided.

7.1 Methods Employed

The practical section of this dissertation involves a range of different research methods, including document analyses, interviews, and observations.

7.1.1 Document Analysis

Document analysis is a standard method in both qualitative and quantitative research and "can be used with any 'text'" (Denscombe, 2003, p. 221). This modus operandi is valued for its "non-reactive" (Hendl, 2005, p. 132) character. By the term non-reactive Hendl describes the levels of subjectivity of this research method; the data is not distorted by errors that could happen due to the presence of the researcher (for example interviewee's responses are affected by the presence of a researcher and his awareness of 'being tested'). This positive aspect of document analysis is however balanced by the omnipresent subjectivity of the researcher, especially in the selection of documents for analysis. (Hendl, 2005, p. 132) A crucial stage before the content analysis itself is an evaluation of the documentary sources themselves. According to Denscombe, the researcher should assay four aspects of each document: Authenticity (is it real, could it have been fabricated), credibility (is it accurate and free from bias), representativeness (is it typical of its type), and meaning (is it unambiguous, are there no hidden meanings). (Denscombe, 2003, p. 220)

7.1.2 Observation

In order to expose the ways in which different cultures utilise Starbucks' third place and provide for a background for testing the hypotheses, a field-study will be conducted through a series of in-store observations. Along with other texts, Denscombe's *The Good Research Guide* (2004), Babbies's *Practice of Social Research* (2013), and Hendl's *Qualitative Research* (2005) have been drawn upon as sources of guidance and reference. Throughout the academic literature, use of specific terminology varies; what Babbie calls qualitative field research, Hendl refers to as an observation. Therefore, for the purposes of this study, these two terms are used interchangeably to describe the same thing.

Field research is a flexible method of research that "enables researchers to observe social life in its natural habitat: to go where the action is and watch." (Babbie, 2013, p. 323) Observation is more direct than self-reported behaviour or opinions, "it draws on the direct evidence," (Denscombe, 2003, p. 192). An additional characteristic is the natural setting in which occurrences happen, regardless of whether research is being conducted, as opposed to laboratory experiments (Denscombe, 2003, p. 193).

It can be used as a primary method of research if the study has a descriptive character (Hendl, 2005, p. 192). The observer may play different roles in a field research, depending on to what extent they become involved with the subjects. For the purpose of this study, the researcher isa full observer, and a part of the studied environment. However the researcher doesn't interact with the studied subjects. The method is also called the non-participant observation method. The observed do not realise that they are being observed (Hendl, 2005, p. 192). This can be achieved only in public spaces (such as Starbucks store) where the researcher can situate themselves in a way that he or she doesn't disrupt the ongoing social processes. The researcher's behaviour should be as unobtrusive as possible and he or she should maintain a distance and neutral attitude towards the subjects. In the researched coffee house environment, the above points are achieved by the researcher ordering a coffee themselves and quietly sitting at a spot which allows for observation of the whole coffee house inconspicuously.

7.1.3 Limitations

Some limitations of this method are directly related to the level of involvement of the researcher. In certain cases, the researcher becomes a genuine participant in what they study - or at least pretends to be. In order for the research to be valid, the other participants must see him as one of them (or not see him at all), which presents an ethical issue. The norms of the ethics in field research are somewhat ambiguous, with the authenticity of the participant behaviour and ethical clarity standing in opposition. The problem of the subjects altering their behaviour as a reaction to being studied is referred to as the problem of reactivity (Babbie, 2013, p. 328). Another limitation of the observation method is simply the fact, that the observer cannot see everything. Most of the action happening around him will remain unnoticed (Hendl, 2005, p. 193) as the observer can only focus on one social action at a time. The non-participatory method is indeed a limited method and for the validation of the findings it is recommended to reinforce the research with participatory observation or interviews with key informants (Hendl, 2005, p. 202).

7.2 Methodology

After stating the research questions, the practical part begins with document analysis. First of all, all available documents are gathered. The documents are a mix of press releases, news articles, corporate and independent publications and published interviews with high standing officials of Starbucks. Before the analysis of the content, the sources of all documents are critically assessed from internal and external point of view to insure the objectivity. During the evaluation, four traits are questioned, testing the document's authenticity, credibility, representativeness, and meaning, as described in Document Analysis, p. 26 of this paper. Possibly biased documents are indicated as such and the information is regarded later during the content analysis. The documents are interpreted with the focus on answering the research questions.

In this case, the research questions require a descriptive answer. For that reason the document analysis is amended with a series of observations that take place inside the Starbucks coffee

houses. The researcher monitors each of the customers[5] and tries to indicate behavioural patterns. For efficiency, the researcher uses an "observation schedule" (Denscombe, 2003, p. 195), a table of items to observe and take note of. As long as the schedule is followed, each sitting of the research stays valid. In line with the research objectives, the observed occurrences are for example whether the customer is alone, in a couple or in a group (3 and more people), whether they are quiet or having a conversation, whether they use their phone, computer or different platform, whether they read a book etc. The full schedule is attached as an Appendix. The researcher also records how much time the customer spends in the café. Additional side notes about each of the customers develop the story of their visit of the establishment and help assume the background motivations of their behaviour. For further insights, several in-depth interviews are carried out with locals who frequent Starbucks. During the analysis of the collected information the focus is placed on seeking behavioural patterns within each culture.

In terms of geography and chronology, the French dimension to the observation is spread among multiple locations across France, including Starbucks coffeehouses in the towns of Nantes, Bordeaux, Lyon, and Marseille. The particular coffee houses are chosen according to particular criteria that exclude stores located at airports and train stations. These stores would be less relevant to the study due to the nature and motivation of their customers who are likely to be transiting tourists, foreigners, or those who prefer to take their drink take-away. These groups of customers could modify the discovered information in a way that diverges from the research objective.

Each observatory session lasts about 2 hours which is considered to be the time that allows for a comprehensive observation of many details, while still remaining incognito. There will be 8 sessions conducted in France and 8 in the Czech Republic. The selected chain stores all represent Starbucks' preferred locations: central locations situated on busy streets frequented by an appropriate mix of people who are locals going to work, shopping, passing by in their free time, but are also interesting enough not to be hidden from tourists, who after all

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[5] Customers who order their drinks "take away" are excluded from the observation. Only behaviour in the seating area, after a customer sits down, is observed. Behaviour in the queue or at the till is not part of this observation.

compose the Starbucks' clientele as well. Specifically, the observed coffee shops were situated on main shopping streets, main commuter traffic hubs, and in saturated business locations, such as Commerce in Nantes, France or Anděl in Prague, Czech Republic. All of the cafés were bigger branches offering a selection of seating arrangements (sofas, armchairs, sturdy chairs, and desks).

The study suffers from a number of methodological limitations, utmost the restricted availability of documents and corporate sources. Starbucks doesn't provide access to documents, reports or even press releases for academic purposes due to the high demand from students and other researchers. The corporation also has a circumscribed approach to giving interviews and therefore the only successful way of reaching the French side was through social media, namely Twitter. Olivier de Mendez, the Director at Starbucks France was reached through his personal profile on Twitter and agreed with an interview via email. Lucie Vojtová, the Brand Manager at Starbucks Czech Republic, was reached by phone but also only agreed to email interview. Despite their high hierarchical status in the corporation, neither of the two above mentioned could grant access to the media content such as yearly reports or press releases, nor share details about the marketing goals and their completion. All documents used will therefore be from public sources, mostly online.

7.3 Objectives

Firstly, the document analysis seeks to describe the intentions of the company. The documents are searched to answer these questions about each of the studied markets: Who is Starbucks trying to address; who is the brand's target group? How is the company trying to attract the target group? How popular is the brand; what is its reputation? What are the main points of interest; which products or intangible elements attract most customers? How do answers to the previous questions differ between the two markets and what conclusions can we draw from these differences?

The research objective of the observation is to understand how the French consume the environment of Starbucks and whether this is different to the consumer behaviour in the Czech Republic. The research seeks to answer the following questions: How do the

customers spend their time in the coffee house? Is the coffee house their third place? Does Starbucks serve as a second place (workspace) for some? What kind of social interactions occur inside the coffee house? Are there patterns of similar behaviour within certain age groups? Are there patterns of similar behaviour within genders? Are there some activities that are seen only within one of the studied cultures? Which activities are observed within both sets of consumers?

This research is conducted with the marketing objective to offer customers of Starbucks the environment they are looking for and for which they will prioritise Starbucks coffee houses over other providers of the third place.

With the combination of results of document analysis and author's observation, the ambition is to determine which aspects of the brand's communication contribute to reaching its targets and recommending other successful paths.

8. Results

Both similarities and differences in the markets were observed within the documents. The markets are parallel in the relevance to the globality of Starbucks. In both markets, Starbucks is recognised as a place with all-encompassing feeling and strong American heritage (Mendez, 2016; Vojtová, 2017) which also reflects the customers; the core is similar in both France and the Czech Republic and consist of Generation Y: 25–45 year olds, the productive population that can afford an extra expense and likes to socialise (Vojtová, 2017). Often these customers know Starbucks from their travels abroad (Streštík, 2008) and become ambassadors of the brand at home, word of mouth is an essential part of the marketing mix. A secondary audience is the younger Generation Z (15–25 year olds) that are "fan and brand advocates who visit (...) on a weekly basis or slightly more" (Mendez, 2016). The third audience are tourists who come because Starbucks presents a safe place to which they relate. Vojtová adds that each product has its designated target audience and that social media communication targets primarily the younger segment. (2017) Every day, Starbucks France serves approximately 50 000 customers[6].

Starbucks France goes far in its effort to attract customers. To satisfy the French taste preferences, a second lighter bean was launched and offered an alternative to the regular dark bean, that was an exclusivity at the time. The French are also offered the widest pastry range across the Europe, Middle East and Africa region. (Mendez, 2016) An additional seating areas outside of the coffee houses are also typical for the French and match their habit in sitting at the *terrasse* all year long, no matter the weather. In his description of the traditional French café as a third place situation, Oldenburg considers the *terrasse* as the most important of the whole establishment; to be successful, *terrasse* is necessary (Oldenburg, 1999, p.147). Starbucks in the Czech Republic doesn't offer any specifically localised products, however the permanent menu is adapted to the Czech language (Vojtová, 2017). In its communication, the Czech Starbucks follows the uniform brand manual, but every once in awhile a local campaign is introduced. From February 2009 all customers were given coffee for free on their name-day. This follows the long tradition of name-days that are

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[6] As of July 2014. (De Mendez, 2014)

celebrated in the Czech culture and presents a way of becoming more familiar with customers. (Starbucks představuje nový)

The business model is different in the two case-study countries which affects the treatments of marketing expenditure. To enter the Czech market, Starbucks has partnered with AmRest in a joint-venture and AmRest is responsible for all aspects of the business, including the decision to limit the marketing budget. Starbucks doesn't communicate like other brands, and has markedly lower expenses in ATL (Streštík, 2008).The knowledgeability of Starbucks' logo and name is a compensation as well as a developed loyalty program. On the other hand, the French Starbucks expands rapidly thanks to the franchise model that was employed after it experienced a success in the proximate United Kingdom (the largest Starbucks franchise market), making it the world's second largest Starbucks franchise market. (Mendez, 2014a) Mendez points out that Starbucks is a brand that communicates very little; it has created the market for the consumption of coffee and grew by a very strong implantation therefore without need to advertise at the time. However, a country like France presents much more competitive market and suddenly imposes advertising demands. As a result of such, the French management was left with a lot of autonomy in terms of the messages they conveyed and the media used. (Mendez, 2014a)

Nonetheless, both countries benefit from the brand's "strong sympathy capital" (Mendez, 2014a). There's no dispute about Starbucks making an impact on people's everyday lives. It does not only transform local neighborhoods but also people's habits and the direction of the market. From 2004, the company has brought the French "two innovative things: high-end coffee and coffee to takeaway," (Mendez, 2014b). The latter has been observed in Paris and while in 2004 the consumption of takeaway coffee was 7% of all the purchases, in 2014 the number of Parisians ordering their coffee *à emporter* rose to 30% (Mendez, 2014b).

The corporate website in both countries is primarily a translation of the global website www.starbucks.com, however each localised version contains information of different extent. Whereas the global website dedicates multiple sites to the Starbucks story and additional News Center website, the Czech www.starbuckscoffee.cz is relatively succinct, excluding the press information for instance.

In all studied language versions (Czech, French, and English) the brand's mission is said to be at least partly third place to customers: "... to be a true link between home and work. A meeting point for those in a hurry as well as a place to relax with friends and have a good time." (Notre Mission Starbucks) Which has also been confirmed by Aherne, Regional Director of Operations for Starbucks Czech Republic and Southern Poland: "Our aim is to (...) create so called 'third place,' a place between home and work," (Starbucks otevírá novou, 2013). These quotes verify that Starbucks intents to serve as a third place in neighbourhoods.

8.1 What Has Been Observed

The atmosphere inside the coffee house is different on certain days of the week. During the first wave of the observation (a partial part of the research) in France it has been discovered that Saturdays, especially Saturday afternoons present the busiest time of the week and that the composition of the customers is different to other days. Saturdays represent the main shopping day for the French, the streets tend to be very busy and so is Starbucks, whose stores are frequented by shoppers and families taking a break. The atmosphere inside the coffee house is very different and noticeably busier.

In the weekdays, the ambience inside the café changes throughout the day as the day advances. In the morning, the Starbucks in France is occupied primarily by solo customers who come for breakfast or morning coffee while they catch up on the news or social media. Some people are working on a laptop. The age average of morning customers is discernibly higher (±33 compared to the all-day average which is ±28). From midday, the percentage of customers who don't come alone rises and keeps rising until the closing time which is different at each location but is usually between 7 and 8pm (around or even before the French dinner time). By the evening the percentage of solo customers drops nearly by half, from 60% of all the customers to 32%. However it again has to be stressed that these findings are fractional. Visits by groups of at least 3 people peak in the afternoon which is also the time when most customers aged under 20 come. It has been observed that the behaviour of this age group often includes mobile phones and social media. Some take photos of their

drinks and desserts and most hold their phones in their hands and are occupied by mobile content while having their drink or even during having a conversation with others.

In the Czech Republic, the composition of customers throughout the day differs. The most significant deviation from the French pattern is in the curve of the solitary customers which stays flat during the day, around 50% of the customers in Starbucks are there alone at all times. Groups are less frequent in the Czech Republic, only in the morning is there a visible peak in their visits. These groups are mostly business meetings and tourists which is another contrast with France, where all observed groups were friendly casual meetings, often school-age children. Those who come in a pair present on average just over 40% of all the customers, comparable to France. However unlike in France, here we cannot observe a rising tendency, not as many couples come to Starbucks in the evenings. A conclusion of this comparison is that in France, Starbucks is seen as a more gregarious place whereas in the Czech Republic it is more often sought as a refuge by singletons.

In terms of assessing whether or not the customers used Starbucks coffee house as a third place, activities performed in different locations were observed. Probably the most significant disparity occurs between the numbers of individuals who come to Starbucks to work. Nearly twice as much people in the Czech Republic use the café as workplace than in France and the Czechs who work there are also visibly older on average (±27 years old in France and ±34 years old in the Czech Republic). As an addition, a lot of meetings of the Czechs are of a work character and phone conversations are also more often work related. It is believed that this showcases the distinction in the approach to the environment in the two countries.

Provided that we generalise these partial findings, the observed discrepancies render the particular roles cafés play in the culture and their typical features. Traditionally, the French café is not separated from the street, it is not an escape from life, it hides nothing. Even in Starbucks, regardless the wet and cold December weather, the *terrasse* was the busiest and preferred seating location. Typically, coffee houses in France are not sought to escape life, they are often busy with the rush being preferable. When the French study or work in a busy place, they are not easily disturbed, "interior crowding does not distress the French" (Oldenburg, 1999, p. 151); their culture is used to it in more ways. Cramming can be

observed in more aspects of everyday life, for example the preference of small cars which also demonstrates the superior position of the pedestrian among other street participants. Afterall, those who spend their time with coffee quietly have their phone in hand drawing updates from social media, a modern exhibit of being in the centre of affairs and a third place for many.

Using Starbucks as a place for business meetings or first date meetings illustrates the Czechs' perception of Starbucks as a neutral place; one of the characteristics of a third place according to Oldenburg. In France, Starbucks seems to have less neutral image at the expense of being a popular premium American brand, it could be thought that by visiting Starbucks a Frenchman is expressing an opinion of accepting the American influence without worry of debasing the French traditions.

A statistic not to be bypassed is the difference of the visitors who spend their time having a conversation, respectively quiet, between the two countries. In France, ±41% stay quiet which is significantly less than in the Czech Republic, where over 59% of customers spend their time in Starbucks quietly. This agrees with the previous resolution that the French occupy the coffee house for more convivial endeavours. The aforementioned leads back to one of Oldenburg's key characteristics of a third place; to conversation and its correlation to popularity and tradition of third places.

So far it can be seen that Starbucks fulfills the role of the third place as Oldenburg has described it in the aspects of its neutrality (more visible in the Czech Republic) and conversation (more obvious in France). It also performs the leveling function; all people are served in a similar fashion as they arrive to the counter. Given by the location strategy, all stores are also extremely accessible, situated in the busiest places. However, the French opening hours don't comply with Oldenburg's definition. Generally, opening hours in France are rather short and most shops stay closed on Sunday, so do some of the Starbucks' locations. In the Czech Republic, Starbucks is open 7 days a week and the most exposed locations stay open until 11pm.

Part of Starbucks' communication is its work with regulars; if a customer frequents a particular store, the baristas will remember his name and usual drink in order to build a personal relationship. However nothing like that has been observed during the research. In couple of stores in the Czech Republic, a board with the names of regulars and their favourite drink is displayed, although its authenticity could not be confirmed and no personal conversation with a customer was witnessed. Furthermore, Starbucks certainly doesn't keep a low profile, another of Oldenburg's characteristics.

The playful atmosphere of the third place is observable in Starbucks, the mood is very casual and whether it presents home away from home relies on the psychological nature of each visitor.

9. Recommendations

This dissertation seeks to judge whether the largeness of Starbucks allows the company to create small personal spaces that could serve as a third place, as a home away from home. From the brand materials and also from the statements of the leaders it can be concluded that the creation of third place environment is one of the most important marketing strategies of Starbucks. The research refers to the use of the provided space by customers from two different countries and with the use of Oldenburg's definition of third place it is finding out to what extent Starbucks actually serves as a third place.

The conclusion is that the coffee chain is not a third place in all respects. It certainly doesn't keep a low profile and it has some policies which could discourage random hangouts. However, it cannot be expected from Starbucks to withdraw its branding and make itself unattractive to non-regulars. Although creating a more accessible and accommodating place could be possible, for example by arranging the opening hours according to the daily schedules of the neighbourhood.

Conclusively to the research, it is believed that Starbucks could work better with the regulars, who according to Oldenburg form the third place. In spite of claiming the opposite, in the observed shops the baristas weren't personal with their customers, not even with the researcher who visited the same place multiple times a week. The loyalty programme could serve as a mediator of a more personal experience.

At the moment, each customer can sign up for the loyalty programme for which he receives a loyalty card that works as a chargeable payment card. Upon charging the card, coffee can be bought simply by using the card, or even more simply through a mobile app. When paying by the card or app, customer receives a star for every drink bought. Ten stars mean next drink is free and further special rewards are received on holidays and other special days such as birthdays.

As most loyalty cards, the Starbucks card collects information about the customer. Notwithstanding in the Czech Republic, where the programme was tested, no personalised

offers follow. It is therefore recommended to use this information to recognise the frequent customers and treat them accordingly. Via purchasing history, Starbucks can make a note of what each customer orders and which stores he visits, in this way the baristas could to be prepared better and in case of recognising a customer, predict what his preferred tastes may be.

The third place ought to be comfortable to encourage hangouts and such a quality is formed by the equipment. The furniture expresses how the management wants people to spend their time in the café; long desks embolden motivation to study by providing enough space for books, notes, and laptop for research; sturdy chairs in quiet corners provide an undisturbed work environment; and sofas offer homely comfort and privacy. Nonetheless, there never seems to be enough of them: during the observation, customers were seen in uncomfortable situations produced by the unavailability of their seating preference. In the Czech Republic, many people sit in armchairs with their computer on their lap, a position which is not only unhealthy for the spine but also after some time becomes very uncomfortable. Apart from the obvious reasons such as the lack of seating or disturbing environment in other parts of the coffee house, this situation can also be a result of the designated seating being too unattractive. People who go work in Starbucks, and perhaps spend hours working there, may prefer a cushioned chair over a hard wooden one. The designers at Starbucks could monitor the most common activities inside the cafés and adjust the furniture accordingly, it is believed that this would enhance Starbucks' role as a third place.

9.1 Recommendations for Future Research

Apart from the theoretical limitations described in 7.1.3, this research method provides for numerous extensions, through which the research's validity and impact could be heightened. As a bachelor's dissertation, this research was constrained in scope and certain validating factors such as the size of the sample and tight framing of the observed environment had to be omitted.

This research can serve as an inspiration for any researcher who wishes to study the relationship between the dimensions of national cultures and the culture's attitudes towards

a product or environment. The size of the sample is a significant validity determinant and it is therefore recommended to subsidise a wide spread of observation sessions. These however ought to be framed by time as consumer behaviour changes with the time of the day, day of the week, and season of the year.

To confine the level of researcher's subjectivity that indeed comes with the observation, follow-up interviews are recommended. Interviews with consumers, but also with managers of outlets, may help to facilitate an understanding of the motivating factors behind certain behaviours.

Conclusion

In summary, this paper has attempted to explore the concept of the third place within cross-cultural marketing. In order to do so, three hypotheses were proposed and tested through a combination of desk research and primary observation. It was firstly postulated that Starbucks doesn't replace the local culture but is rather an addition. Secondly that due to the global size of the company, Starbucks carries similar meanings in France as in the Czech Republic. And lastly that the use of Starbucks as a third place varies in relevance to the national dimensions of the studied countries.

Following an in-depth review of the relevant marketing theory, a research methodology was developed to outline a number of specific project objectives. These have been successfully achieved, and the analysis used to form the basis of a number of broader conclusions, which shall now be discussed at length.

The word globalisation itself arguably carries a defamatory meaning and so do its synonyms *Americanisation* and *Westernisation*. The Anglo-Saxon academics, who are responsible for these theories, have a tendency to view members of local cultures as the victims of intensive marketing from the omnipotent global brands. Such discourse could be considered rather patronising after considering the paradoxical aspect of globalisation which reveals the reinvention of the social relationships and rediscovery of local values and culture. (Giddens, 2002, p. 31) An alternative argument is that despite their immense power the global brands don't tend to substitute the local culture, instead they are an addition to it. And while Starbucks seems to be annexing the most prominent and historical locations, it is often "saving" them from a worse fate. An example can be the first Czech store opened in Grömling Palace, a Rococo-style building that is preserved as a cultural monument in place of a restaurant called Square. Grömling Palace is a building with a long coffee house tradition that is now re-discovered by Starbucks, the previous occupant Square was described as "terrible" (Kněžínek in Krist, 2008, Káva bude nejen) by the conservationist experts. Moreover, all of the observed stores that are located in historic locations are very gentle with their outside branding, preserving the building's special features. A critical synthesis of these

theoretical components with the findings of this research allows for the acceptance of the first hypothesis.

Global brands are strong negotiators not only when it comes to economic advantages but also when presenting themselves to a customer; a small change in the recipe that could destroy a small brand may remain unnoticed in this case. A global company has more in stake when experimenting but its powerful brand image let's it get away with minor failures. Starbucks is one of the brands that can rely heavily on its name. Moreover, doing so is its primary strategy when entering new markets, when reaching out to new cultures. Starbucks succeeded in Japan because of the local admiration of American icons. It has been established that it is also largely accepted by the younger demographic in France who are likewise influenced by social media and pop culture and by those who have experience with the green logo from their travels abroad. The same applies to the situation upon entry to the Czech market. In all these countries, Starbucks is seen as an American icon, a premium coffee brand. For some customers it's a treat - a just-about affordable luxury, for others it's an everyday necessity. These differences are not dependant as much on culture as on the lifestyle of each individual customer. Consequently, the second hypothesis is also confirmed.

The way customers use the space provided by Starbucks was correlated with a theory which forms an essential component of this dissertation: Oldenburg's definition of a third place. Throughout this paper, opinions of high standing company officials, academics, and findings of a primary research have been collected, evaluated, and analysed to form the conclusion that Starbucks more or less serves as a third place in both of the subject markets. In France, the café has more of a third place atmosphere than in the Czech Republic which is influenced by the higher number of customers who come to Starbucks to work. Work is primarily not a third place activity but rather what Oldenburg calls the *second place*. The French on the other hand spend their time in the café socialising and relaxing which expresses their care for the quality of the life they live, a typically feminine trait. The Hofstede dimensions indeed confirm that the French are a feminine society. Per contra, according to Hofstede the masculine Czechs "live in order to work" and that is reflected in their use of the Starbucks' third place. Masculinity presents the most polarised dimension between the French and Czech cultures and it also reflects the most significant finding of the partial observational research.

The causation between the cultural traits and the behaviour in the café validates the hypothesis that the national dimensions of each culture affect the way they use this exact third place.

For these reasons, as it continues to expand across the world, there are important implications for the extent to which Starbucks stores are standardised and adapted. This research has shown that in both France and the Czech Republic, the overarching brand strategy of standardisation is justified. Nevertheless, there are perceptible differences in consumer behaviour which suggest that limited adaptation would enable optimal local use of the third place. As previously mentioned, one such method of doing so would be to incorporate sociological and anthropological insights to in-store design. Clearly a careful balance must be struck between these two competing demands. This interpretation supports the broader view that Marketing 3.0 – which pays careful attention to the values and deeper needs of the customer – should be the guiding template for marketers seeking to build long-lasting relationships with audiences in the tertiary sector.

Summary

This paper analyses the cultural factors that global brands must consider when expanding into new markets that profess various cultures. The differences between cultures' values may lead to particular perceptions of the same message and idiosyncratic behaviours. The national culture can be, according to Hofstede, studied by 4 (later 6) dimensions, namely power distance, individualism, masculinity, and uncertainty avoidance. The country's score on these dimensions is relative and therefore ought to be examined in comparison. This work firstly looks at the national cultures of France and the Czech Republic and seeks to determine in which dimensions these cultures are the most convergent, and in which they diverge.

The implications are employed during the analysis of how these dimensional characteristics influence the way customers of Starbucks adopt the provided third place. The third place is a sociological concept introduced by Oldenburg and it describes the place where people seek refuge outside of their first place (the home) and second place (the work or school). Such places have diverse characters, depending on the culture. For example in France, the third place was historically represented by the café, the salons where people met to debate, socialise and decide on action.

With the help of field research inside multiple Starbucks cafés, it has been noted that the activities performed indoors correlate with the national cultures of the customers despite the fact that Starbucks as a brand carries similar meanings; In both France and the Czech Republic, Starbucks represents a global brand, something cool while remaining neutral. By its price positioning, Starbucks enhances its premium brand feel and a visit of the café becomes a treat. This has been found by conducting interviews with high standing officials of Starbucks and an analysis of other interviews, official documents, web content, and other documents.

Synthesis of application of the dimensions of national cultures and all of the named research methods exposes certain correlations between customer's culture and their use of the third place. One of the most significant relations is found within the dimension of masculinity; while the relatively masculine Czechs, who put a lot importance in work, tend to spend more

time in the café performing work related activities, the relatively feminine French, who by definition put more stress on the quality of life and personal needs, use Starbucks primarily as a place for socialising. However, not all of the observed locations seem to be providing for the needs the customers of different cultures may have. It is therefore recommended that further studies be made into the ways in which one's culture is manifested and how sociological and anthropological insights can help design the third place in a manner which fulfils all of the personal needs and expectations of each customer's visit.

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Appendices

Appendix 1: Research Schedule (table)

The first column indicates the observed matter, the second column indicates in what value was the occurrence of the matter noted.

Research Schedule	
object	**value**
place	address
date	d-m-yy
sat down time	hh:mm
leaving time	hh:mm
time spent in	hh:mm:ss
alone	x
with 1 person	x
a group	x
age	estimated yy
gender	f/m
men	total count
women	total count
something to eat	x
quiet	x
conversation	x
talk with strangers	x
talk on phone	x
phone on table	x
phone in hand	x
computer	x
headphones	x
notebook and pen	x
book	x
newspaper	x
magazine	x
study	x
work	x
notes	

Appendix 1.1: Example of A Single Entry (table)

place	date	sat down time	leaving time	time spent in		
Rue de la Marne, Nantes	Sunday 6-11-16	14:30	15:00	0:30:00		
alone	with 1 person	a group	age	gender	men	women
x			20	f	0	1
something to eat	quiet	conversation	talk with strangers	talk on phone		
	x					
phone on table	phone in hand	computer	headphones			
	x					
pen & paper	book	newspaper	magazine	study	work	
	x			x		
notes						
Reading a book, often glancing at her phone						

Appendix 2: Composition of Starbucks' Customers in France (graph)

Source of data: Author's research, see chapter *7. Practical Research*.

Composition of Starbucks' Customers in France
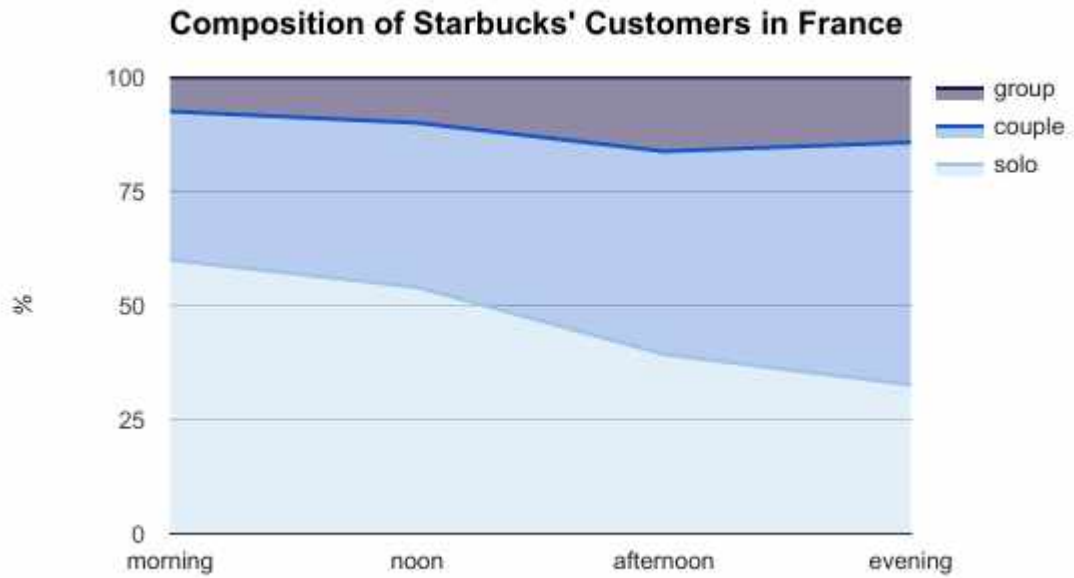
Appendix 3: Composition of Starbucks' Customers in The Czech Republic (graph)

Source of data: Author's research, see chapter *7. Practical Research*.

Composition of Starbucks' Customers in The Czech Republic