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Marketing Management

Starbucks/Tully's Coffee

10/30/25

Assessment List

Criteria	Description	Starbucks Rating	Starbucks Notes	Tully Coffee Rating	Telly Coffee Notes
PRODUCT AND BRAND ALIGNMENT					
Brand Promise Delivery	Do the products/services align with the store's stated identity?	5	they do very strongly; their brand is the standard of coffeeshops	3.5	Yes, for the most part, although it doesn't feel like a coffeeshop
Product Quality and Freshness	Food, beverages, or goods reflect promised standards of taste, durability, authenticity.	4	it was very good yes it lived up to the hype and not just a typical bland meal	3.5	had the steamed bread was pretty good has a little too much cream in it
Atmosphere and Wellbeing	Ambience, cleanliness, comfort, and contribution to customer wellbeing?	4.5	very clean for the customer wellbeing, but kind of sterile feeling	4	Appeared clean, but so much furniture could make it questionable
CUSTOMER EXPERIENCE					
Customer Service and Experience	Staff attentiveness, friendliness, knowledge, and embodiment of brand's values.	5	was very knowledgeable and friendly	5	very friendly and helpful
Sustainability and Social Responsibility	Evidence of eco-conscious practices (green, recycling)	1	didn't see anything for recycling or sustainable commitment	1	didn't see anything for recycling or sustainable commitment
Technology Integration	Use of digital tools (ordering kiosks, apps, mobile payments, digital loyalty programs)	5	yes they had mobile payments and their own app	5	Yes they had mobile payment
RESPONSIBLE INNOVATION					
Innovation and Trend Relevance	Seasonal launches, limited editions, health/wellness offerings (plant-based, sugar-free, etc)	5	they have two Halloween themed items	1	didn't see anything seasonal related
Personalization Customization	Ability to tailor products/experiences (custom drinks, substitutions).	4	Can accommodate but have many drinks that	4.5	Designed to customize coffee drinks to taste

			are already curated and not as customizable		
Storytelling and Communication	Visibility of heritage, mission, or brand philosophy in-store (signage, packaging, etc)	2	Immediately recognizable brand; but nothing about heritage or mission	3	Didn't understand connection to Tully or the coffee-lounge connection
OVERALL VALUE PERCEPTION					
Value for Money	Perceived fairness of price relative to quality, service, and competitive positioning.	4.5	the price was good for the quality as it was 6.29 for a small frap and doughnut holes	5	for the fresh steamed bread I thought the price was excellent at 2.43

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Comparative Mystery Shopping Report

A Comparative Analysis of Starbucks and Tully's Coffee

Executive Summary

This report reviews a mystery shop meant to compare the customer experiences at Starbucks and Tully's Coffee. The results demonstrate that both companies are successful at delivering on their core brand promises. The “third place” atmosphere of Starbucks provides people with a dependable workspace and study area through its advanced technology systems and periodic product offerings. Tully's provides customers with a casual community area to experience high-quality dining at affordable prices. The two brands demonstrated a major weakness because they lacked specific sustainability programs to showcase. The company needs to carry out two vital recommendations which involve strengthening Starbucks environmental programs and developing innovative seasonal products with new brand narratives for Tully's.

Introduction

The market position of Starbucks is that it is a worldwide “third place”. The company's value proposition is offering quality, customization and accessibility. Starbucks operationalizes its value proposition by mass-customization: appealing to a wide variety of customers' needs by creating a familiar, convenient environment with many options for the consumer, and ultimately letting the customer decide what they want and how to order it. The brand targets urban professionals, students and middle-class consumers who want convenience and customization.

Tully's market position is a more quiet and luxurious coffeehouse. Its value proposition is offering friendlier, less rushed options, with comfortable seating, larger drinks, and less commercialization. Tully's operationalizes its value proposition by appealing to customers' need to take a break and relax by being a slower, more comfortable and more generous coffee experience. Tully's targets customers whose needs and wants are not being met by larger coffee corporations, usually older and/or professional customers, who prioritize a comfortable atmosphere.

Methodology

To evaluate each company, I created a Google Sheet to record and compare observations across several key criteria using a 1–5 rating scale. Each company was assessed based on product and brand alignment, customer experience, responsible innovation, and overall value perception. The scale helped quantify both positive and negative observations while keeping the assessment consistent.

Observations and Findings

For product and brand alignment, Starbucks received a 4.5 out of 5. I felt that its products and overall brand image were very cohesive and presented a unified identity. In contrast, Tully's scored a 3.6, as I observed that its product offerings did not always align with the brand image it aimed to present.

The customer experience for both companies was generally positive. Employees at both locations were friendly and professional, resulting in no negative feedback in that category. However, I rated this area a 3.6 overall for both because neither location offered visible signage or notes of green initiatives or recycling options, which I found disappointing from a sustainability point of view.

For responsible innovation, Starbucks rated significantly higher than Tully's (3.6 vs 2.8).. Starbucks offered exclusive seasonal items for Halloween, which demonstrated creativity and attention to customer engagement, while Tully's lacked any comparable seasonal or innovative offerings.

Customer Journey Mapping

Store	Entering	Browsing	Ordering	Paying	Consuming
Starbucks	Generic, bright; crowded, long line shock	Took longer because limited options to choose from made it harder to decide	Went smoothly but line was long and it felt rushed	Easy: used mobile ordering to avoid line	Average, not as fresh, felt slightly overpriced for flavor and size
Tully's Coffee	Felt like a study or cocktail lounge not coffee shop; luxurious	They had more food items that made it easier to find an item I liked. No non-coffee drinks	Went well line was shorter and overall more relaxed	Easy: used mobile ordering	Above average; fresher and more homemade taste

Comparative SWOT Analysis

Starbucks

<p>Strengths</p> <ul style="list-style-type: none"> ● Quality of food was very good ● The atmosphere was clean ● Friendly customer service ● Lots of tables to sit 	<p>Opportunities</p> <ul style="list-style-type: none"> ● Use their tech integration to create more personalized app offers ● Add more food items for those who aren't in the mood for pastry ● Create a more prominent and deliberate sustainability campaign
<p>Weaknesses</p> <ul style="list-style-type: none"> ● Line was too long ● No recycling options or sustainable initiatives seen or displayed ● Limited menu for food 	<p>Threats</p> <ul style="list-style-type: none"> ● Other companies have better pricing than Starbucks ● Home coffee becoming more of an option than Starbucks

Tully's Coffee

<p>Strengths</p> <ul style="list-style-type: none"> ● More variety of foods ● Comfortable seating and lounge areas ● Price was very affordable 	<p>Opportunities</p> <ul style="list-style-type: none"> ● Create seasonal drink and food items to build excitement and loyalty ● Take advantage of its comfortable lounge style atmosphere ● Create a more cohesive in-store brand storytelling campaign (who is Tully)
<p>Weaknesses</p> <ul style="list-style-type: none"> ● No seasonal launches and no drinks beyond coffee products ● Weak brand presence in store (it felt more like a cocktail lounge: don't know who Tully is) ● Could have a recycling bin or other visible options to promote sustainability 	<p>Threats</p> <ul style="list-style-type: none"> ● Other companies can easily create a similar lounge style atmosphere ● Could be seen as outdated or too "adult" for younger generations

Recommendations

Based on the lowest scores, here are my customized recommendations:

The lowest category for Starbucks was sustainability. The solution here would be to have recycling/compost bins clearly labeled and placed in each store. Then a local marketing campaign would be used to point this out, as well as tie it to larger corporate sustainability goals. The most important thing is that this directly addresses the large disconnect between the global brand message and local store experience.

The lowest category for Tully's was innovation, specifically seasonal products. They should develop a rotating menu of seasonal drinks and food items, to give people a reason to keep coming back. This will also generate some buzz. In addition, they should include some simple signage explaining their brand philosophy, to tie into the "relaxing neighborhood retreat" theme and make the in-store experience feel less haphazard.

Conclusion

This report gives clear insight into the competitive advantage of both Starbucks and Tully's Coffee.

The best strength that Starbucks has is how their products and in-store experience fully live up to the brand's promise of a consistent "third place". The best strength that Tully's had is the relaxed and comforting atmosphere at an affordable key price point.

However, both of these brands also have a clear weakness. The biggest weakness that Starbucks has is the complete lack of evidence that they are going green. The biggest weakness that Tully's has is not providing any seasonal products for sale in a market where all their competitors are doing that.

As for strategic advantage, Starbucks is in the best position. This is due to their seasonal options that are popular at certain times of year that give something for customers to look forward to. In order for Tully's to have this advantage, they would need to invest in similar strategies such as launching seasonal products and providing more personalized technology that prioritizes certain target customers (Halloween enthusiasts, families, Christmas lovers, etc.).

Finally, Starbucks has a better value perception. Not necessarily in regards to price, but more because the product options and experiences are more closely related to what people have come to expect from a coffee shop. Tully's would need to focus on better marketing the value of its premium relaxed store atmosphere and lower prices as a selling point to boost its value perception; a luxury experience without luxury prices.