

Analysis of the Importance of Enterprise Culture on Consumer Behavior -----An Example of Starbucks

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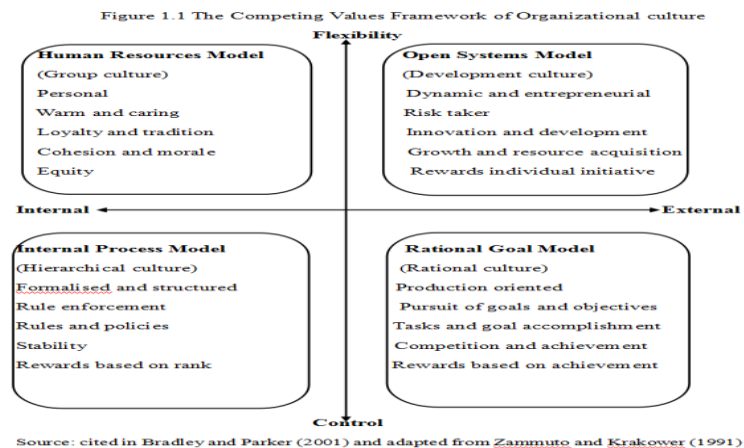
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Abstract. With the development of firms and why have amount of company are bankrupt even close down. This is because they have no a strong enterprise culture, because enterprise culture are influence the development of company and employees morale. It also influence the consumer behavior and effect consumers make decision when consumers buy the goods. Therefore, all kinds of enterprise were established one after another. Many enterprise increase their profits by changing their aims to develop their own unique enterprise culture instead of decreasing their products and services' cost. To a certain extent, the enterprise culture makes the decision of the success or failure of their businesses. So the enterprise culture has become a serious index to compete among all corporate.

The Importance of Enterprise Culture in Organization

Types of Enterprise Culture in Organization

Enterprise culture has some types in organization. It is common recognized by the academic literature and different organization have distinctive cultures. One classification of culture types is proposed in Bradley and Parker's (2006) Competing Values Framework (CVF), it is based on that work by Quinn and Rohrbaugh (1983) as below: (see Figure 1.1)



According to Harris and Mossholder (1996), the Competing Value Framework (CVF) investigation has been used in many research organization culture. On the one hand, the CVF examines the competition requirements between internal and external environment of the organizations. On another side, the CVF can control and flexibility of the organization (Bradley and Parker, 2001). These conflicting demands constitute two axes value model of competition. The internal of Organization focus emphasizes integration, information management and communication, and organizational external focuses on growth, resource and external environment. The second dimension is requirements mutual contradiction, the organization pay attention to control emphasized stability and cohesion, organization focus emphasis flexibility, adaptability and spontaneity. According to Zammuto, Gifford and Goodman, (1999), these two dimensions by value map out four major "type" of enterprise culture on the theoretical analysis of organizations

(Zammuto, Gifford and Goodman, 1999):

The Importance of Organizational Culture

A strong enterprise culture is indispensable to human resources, a good enterprise culture can be beneficial to the effective management of human resources, so the enterprise culture also affects the management of human resources. Hofstede (1997) said culture affects people's behavior and thoughts. So, it is important to understand the culture of an enterprise for company; whereas Jim Griesmer (2000) strongly supported that the development of the organization can promote the value of the humanitarian, at hence, Deal and Kennedy (1982) in 1982, it advocated that the development of the organization should be combined with effective organizational culture, in order to make people to work effectively.

Schein (2004) highlights that Hellriegel, Slocum & Woodman (2001) also think that enterprise culture has a potential power to improve performance of organization, individual satisfaction, problem solving and so on. At hence. Every organization has their unique enterprise culture and value reflected. Because culture can used competitive advantage in the development of organization and achieve their culture value and promote the development of organization.

The Relationship Between Consumer Behaviors with Enterprise Culture

Consumer behavior is a complex psychological process, as well as physical activity. Consumer behavior is a decision-making process and physical activity individuals to participate in the evaluation, acquisition, use or disposal of products and services. The term "consumer behavior" is defined as behavior of consumers are looking for, purchase, assessment and treatment of products and services, in order to meet their needs. In most contemporary that definitions of consumer behavior are similar in scope. Neeraj and Kokil stated that consumer behavior pay attention to how individuals make decisions to spend their available resources (time, money, effort) on consumption related. They include what they buy, why they buy, when they buy, where they buy, the frequency of buy, how to use it, how they assess after buy, and buy this kind to assess the impact of the future, and how they deal with it (Neeraj and Kokil 2008).

The Relationship Between Enterprise Culture and Customer Behavior

A Theoretical Model of Cultures' Influence on Behavior
Figure 12-1

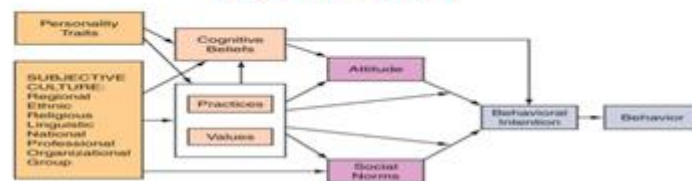


Figure 1.2 A theoretical model of cultures' influence on behavior

According to Prentice (2007), this model describes that the role of subjective culture, it plays the role of the determining our beliefs, practices, and value. In turn, it affects our social norms, attitudes, behavior intention and eventually our behavior. Subjective culture reflects the regional characters, such as. - people who live in a few countries in certain areas of South America) and similar or different religion, or a Shared or a different language, country factors, such as common core values and customer, personality, and group level concerned about various segmentation factors (such as a country or society. - family, work group, shopping groups, friendship groups) and more factors.

Marieke (2003) indicates that a International marketing researcher that he believed consumers will continue to increase more and more like each other that they will eat the same food, wear some clothes and watch the same TV show ratio and the proportion are increased. But the reality is different. Therefore, Ken (1994) stated that in the international market trading, Men have to overcome a huge cultural and economic borders. Not only can improve the global market competition, also have different traditional beliefs, preferences, habits, customs, need to be

understood in the market. It involves social and cultural thoughts, words, their traditions, language, the material, the attitudes and feelings (Michael 1994). In figure 1.2 that this is about effect of culture to consumer behaviour.

Dennis (2000) showed culture is an important factor of consumer behavior. This explains why some products sold in certain area or certain people, rather than other places. In addition to the purchase decision, but enterprise culture influences how consumers use the products they buy and how they are disposed of them. Products used to help marketers sale their products in each of the different position, and cultural influence on product disposal can cause the government to adopt more effective recycling and waste reduction strategy. Consumers can check the other members of the culture, how to use the same products or with different products to meet the same requirements, to find more efficient and cost-effective choice in the market. Enterprise culture are construction achievements influence on consumer buying behavior is a comprehensive, long-term, persistent, if an enterprise culture get the recognition and acceptance of consumer, it will greatly stimulate their purchasing desire. Therefore, enterprise culture how to influence the consumer behaviour in organization.

Values of Enterprise Culture in Organization

In general, organization has a certain historical and its values are always objective existence. Terres Daley and Alan Kennedy (1982) in the book "corporate culture" said that values and beliefs are main from experience. This experience from various attempts the result under the economic environment. Enterprise staff in the specific economic environment after are trying to know what is possible, what is not possible, then generalize and summarize, this is the concept of values. If the enterprise has had some experience in practice, it must to be refined, and achieved the hierarchy of values. this is the first step to shape the enterprise values. When confirmation and further cultivate the values of enterprise, according to the nature of the enterprise, size, type, quality of employees and the particularity of operation to select the appropriate value as a standard, so reflect the characteristics of the enterprise. And it also reflect the possibility to realization the value of organization, it make the organization values has the foundation of existence, and consistent with the employee's psychology ability. At the same time, this can reflect future development of the organization and long-term goals.

All in all. Enterprise culture is a kind of value concept. It is the enterprise employees agree that a kind of culture, a kind of need, it reflects the enterprise value concept of all activities in the operation process, it have a good effect of enterprise behavior and the behavior of the employees. The purpose of enterprise culture is provide the needs and demand for customers, it through lower prices and more choice to improve their lives to create a better life for consumers.

Starbucks

Current Situation

Starbucks is an international coffee and coffeehouse chain in the US. It is also a largest coffeehouse company in the world. It has more than 17,800 stores in 49 countries, including over 11,000 in the US, almost 800 in the UK, and nearly 1000 in Canada. The company headquartered in Seattle Washington and enter the China in 1999. China is one of the most important and the biggest potential, market for Starbucks outside North America. Due to the growing interest and appreciate the high quality coffee, consumer of Starbucks experience had a stable store expansion in China. It is the fastest growing in mainland China, there are more than 1000 stores in 60 cities including Beijing, Tianjin, Shanghai, Guangzhou and Shenzhen. Over a period of time, Starbucks has successfully established itself as premium coffee leader in China, with great brand recognition and high customer satisfaction. Its stand for inspirational, progressive, professional and intellectual image has been widely accepted by all kinds of customers in China, including, a rising middle class "modern Chinese", white collar, college students, etc. More and more foreign population, the Chinese know that we are visiting overseas also form a core of consumers. For many Chinese, not just the best coffee, Starbucks is generally synonymous with quality of life, a "modern" way of life, a positive attitude to life, or develop an icon, progress, transforming modern Chinese city. We are a

“people” company more than a “coffee” company.

The unique feature of Starbucks are maintenance services in China, Starbucks is the world's best coffee and high quality global appreciation for food. Also it continue to provide the best coffee, it mainly spread the coffee knowledge and professional skills, and creates a tea drinking coffee culture in the traditional society in China. Starbucks atmosphere is a similar to the old Chinese tea gathering place and community living room. Starbucks partners in China as a "welcome, genuine, considerate, knowledgeable, compassionate and partners from all over the world. They accept the culture of Starbucks and training, they provided real legend Starbucks service in China. They are real Starbucks ambassador bridge with customers whose promote the professional knowledge and Starbucks coffee culture. Therefore, Starbucks is succeed enter the China market and won the best brand (Starbuck in China. com).

Analysis of Starbucks Company’s Enterprise Culture

Sophie (2012) stated that enterprise culture tell people how they should behave and interaction, what should they pursue, how to communicate, how to made decision and how much independent they can enjoy within the company (Sophie 2012). According to Robbins & Coulter (2005) that enterprise culture is made up of the values, beliefs and norms its people share, or perceptions held by employees within an organization or organizational unit. So culture is a determining factor in the success of organization. Because enterprise culture reflects the values, beliefs, and norms used by employees in an organization to encounter the situation, the means that it can affect employee attitude and behavior (Scott-Findlay and Estabrooks 2006). Understanding the organization's core values can prevent internal conflict (Watson, Clarke, Swallow, Forster 2005), This is shows that enterprise culture have a important relationship between consumer behavior.

Core Value of Starbucks Company’s Enterprise Culture

Starbucks Company has a Set of Widely Accepted Principle.

- 1) Starbucks company training their staff and give employees more rights through decentralized management mechanism. This is a best advertising. Starbucks’ staffs as the best interpreter of the brand, take a district from of publicity before advertising for promotional;
- 2) Starbucks think their employees should be the master. Therefore, it is the first company to give employees preferred equity and expand the scope of employees to temporary workers. The CEO of Starbucks realized the importance of employees in the brand communication, respect for employees, employees enjoy the success of the company interests and benefits, Therefore, Starbucks use communication as their development of enterprise culture, in order to create a targeted and efficient working environment. Communication is a key factor to promote the corporate culture of company, as an employee who has the ability to make their own decisions, without approval of the management, this open-system of communication can be more relaxed and supportive enterprise culture, which is the core essence of the Starbucks culture.

Features of Starbucks Company’s Enterprise Culture

The biggest features of Starbucks enterprise culture is employees can enjoy competitive wages and benefits, in accordance with the provisions cheap to buy company stock options. In this way, all employees have the opportunity to become owners of the company. This option value can promote the proud of employees. In addition, Every person that works at the company is not called employee, and as a partner, this is true for a full-time or part-time employees. All of employees have the right to comprehensive benefits to create a positive corporate culture for the company, they can communicate with partner, this is reflected the Starbucks is willing to spend more money on their employee health costs than they do on coffee beans. This is led to low level of employee turnover (staff turnover at Starbucks is 50%, while in other company staff turnover is 400% in the same industry). (Weber 2005).

Conclusion

As we know enterprise culture can better development for company. From Starbucks company we can see that a good enterprise culture can be create high-quality staff team for the business and make more profits. As a modern enterprise must constantly improve its own culture to adapt to the

constantly changing external environment. In the process, company should through continuously promoting the enterprise culture to enhance the internal cohesion of the team, setting up enterprise culture and is not only a kind of propaganda, the more important is how to carry out and let employees understanding the importance of corporate culture on the company's development. So it is not ignore that to understand consumer demand and needs of company and it's a vital survival factors to company. It's succeed to enter in China market and use their different organizational culture use different enterprise culture expand their own market in China, it is also attracted a large number of consumers and provide the foundation in China's development for the company.

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