

Starbucks logo change draws consumer anger

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New Starbucks logo.

Handout

Lisa Baertlein, Reuters · Thursday, Jan. 6, 2011

LOS ANGELES - Starbucks Corp., the world's biggest coffee chain, unveiled a new logo on Wednesday that omits its name and the word "coffee," infuriating loyal customers.

The new green logo is essentially Starbucks' representation of a female siren — a half-human mythical temptress who led sailors to their deaths. The change, announced during a Webcast of a company meeting, comes as Starbucks is building new billion-dollar brands sold outside its cafes.

"Even though we have been, and always will be, a coffee company and retailer, it's possible we'll have other products with our name on it and no coffee in it," Chief Executive Howard Schultz said on the Webcast.

The company, based in Seattle, Washington, has not changed its logo since it went public in 1992.

Self-described Starbucks fanatics were not impressed and, among hundreds of comments on Starbucks' website, called for the company's name to be put back into the logo.

"Who's the bonehead in your marketing department that removed the world-famous name of Starbucks Coffee from your new logo? This gold card user isn't impressed!" wrote one customer who identified herself as MimiKatz.

Another wrote: "I have been a big supporter of (Starbucks) since the early days, taken expensive rides in taxis to get my morning coffee, even waded through two feet of snow in my business suit ... but I do not see the logic of your Business Development folks for the removal of the Starbucks name."

Executives said the logo, designed in-house, would be phased in, appearing first on paper products like cups and napkins in March. Starbucks declined to say how much it would cost to switch to the new logo.

Starbucks has come through a restructuring over the past few years, during which it closed almost 1,000 stores around the world and put more emphasis on brands like instant coffee Via and Seattle's Best Coffee.

It is now fighting Kraft Foods Inc. for control of its grocery distribution business.

"IT'S NUTS"

Some brand experts questioned whether the logo change was a smart move, and even likened it to a recent ill-fated attempt by clothing chain Gap Inc. to change its well-known brand image.

"I think it's nuts," said James Gregory, chief executive of brand consulting firm CoreBrand. "What's it going to be — the coffee formerly known as Starbucks?"

The new logo probably will not hurt cafe sales in the near term because most Starbucks customers are enthusiasts, Gregory said. But, he said, a nameless logo was a bad fit for Starbucks products sold by grocery stores and other retailers.

"There you're dealing with people who aren't enthusiasts. You're looking at something that's almost generic, and it's not shouting out as something that is Starbucks."

"If they want to extend the brand, they can keep the 'Starbucks' and lose the 'Coffee,'" said Alan Siegel, founder and CEO at Siegel+Gale, a strategic branding firm.

Several well-known companies, including Apple Inc. and Nike Inc., have long used only symbols to represent their brands.

Robert Passikoff, president and founder of Brand Keys Inc, a consumer and brand loyalty consulting firm, said the action could prove wise if Starbucks moved more aggressively into a wider portfolio of consumer goods.

"If it isn't (the reason for the change) and they're just trying to freshen stuff up, no one cares," he said.

Marian Salzman, president of Euro RSCG Worldwide PR North America, said the explosion of social media and real-time feedback was working against the company.

"Nothing is worse than an armchair quarterback," she said. "Nothing ever ends well that starts this way."

Asked if she thought Starbucks would follow Gap's lead and scrap the logo, she said: "Ask me on Monday."

This is not the first time Starbucks has been criticized for revamping a logo: last year it stood behind a new logo for Seattle's Best Coffee despite criticism from customers and others.

The company timed the debut of the new Starbucks logo to coincide with the 40th anniversary of the founding of the first Starbucks store in Seattle in 1971.

The founders of that artisan coffee shop were looking for a way to capture the seafaring history of coffee, and Seattle's strong seaport roots when they found a 16th century Norse woodcut of a twin-tailed mermaid that fit the bill.

Over the years, their siren has been transformed from a bare-breasted mermaid grasping a tail in each hand to a more graphic, family-friendly image.

"Our new evolution liberates the siren from the outer ring, making her the true, welcoming face of Starbucks," the company said.

Starbucks shares closed down 0.4% at US\$32.35.

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