

Starbucks will grow its store footprint, overhaul operations to better meet consumer demand

Article

The news: Starbucks will lean on aggressive China expansion and automation as part of its reinvention plan to drive sales growth, the company [announced](#) at its Investor Day on

Tuesday.

The goals: The coffee company expects its transformation plan will **grow comparable store sales globally and in the US to 7% to 9% annually**, an improvement from the company's previous range of 4% to 5%.

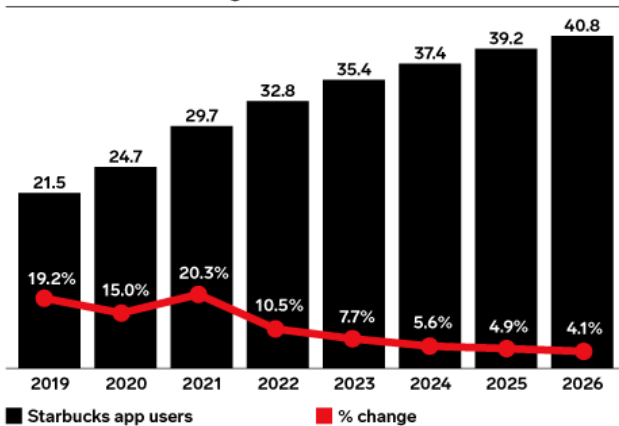
- Starbucks is also targeting annual global revenue growth in the range of 10% to 12% from fiscal 2023 to 2025—two to four percentage points higher than its current range.
- The company plans to expand its store portfolio by 7% annually between fiscal 2023 and fiscal 2025.

The plan: The three major components of Starbucks' reinvention plan are **store expansion, maximizing store and employee efficiency, and improving the customer experience.**

- While the US is by no means peripheral to Starbucks' plans—the company **plans to add 2,000 new stores in the US between fiscal 2023 and 2025**—it's China where it sees the biggest opportunity.
- Starbucks **plans to grow its China store count by 50% to 9,000 stores** over the next three years and expects sales to almost double in the same period.
- The company is also **updating its loyalty program** and investing in technology to accommodate consumers' increased preference for cold beverages, as well as improve the digital ordering process.

US Starbucks Mobile App Users, 2019-2026

millions and % change



Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past month using the Starbucks mobile app
Source: Insider Intelligence, March 2022

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InsiderIntelligence.com

Looking ahead: Starbucks' China expansion is a huge bet that lockdowns—which have caused many businesses to shift away from the country—will eventually become a thing of the past.

While the company's US strategy is less risky, its aggressive union-busting tactics could make recruitment for new stores difficult, and slow the rollout of its reinvention plan.