International Business

Mr. Bodenburg

Video Study Guide

**The Coffee Addiction**

1. American’s drink how many cups of coffee a day?
2. \_\_\_\_\_\_\_% of American’s drink their coffee at home each day?
3. Why do they call caffeine the safe drug?
4. What country did Phil Beedee buy his coffee from in the video?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Why does Beedee travel all the way to this jungle climate to buy his coffee?
6. How much does the small coffee farm in the video earn from its coffee crop in a year compared to the average minimum wage in the country?
7. How many customers a week does Starbucks serve?
8. Starbucks was a classic case of corporate over-reaching. What is over-reaching and how did Starbucks fix the problem?
9. Name two things Starbucks does in its stores to help serve their customers better and make it a better Starbucks Experience.
10. How many Starbucks are there in China? \_\_\_\_\_\_\_\_\_\_\_\_\_\_
11. What is speculation, and how does it drive the price of coffee?
12. What happens to the price of coffee at each level of distribution?
    1. Farmer gets $\_\_\_\_\_\_\_\_\_\_\_\_
    2. After shipping $\_\_\_\_\_\_\_\_\_\_\_\_
    3. Roasting and Packaging $\_\_\_\_\_\_\_\_\_\_\_\_
    4. Marketing/Distribution $\_\_\_\_\_\_\_\_\_\_\_\_
    5. Final retail cost $\_\_\_\_\_\_\_\_\_\_\_\_

In your opinion should the farmers get more for their product?

1. Green Mountain Coffee has\_\_\_\_\_\_\_\_% percent market share in the single serve coffee industry?
2. Explain Green Mountain’s “razor/razor blade” approach to selling their products.
3. Name two corporate partners that Green Mountain Coffee has partnered with in their K-cup products.
4. What might affect Green Mountain’s market share in the K-cup industry?