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Starbucks has been a glowing beacon of capitalism-on-Chinese-soil (some might say…) for years now, and many took glee in the opening of a Starbucks outlet at the Forbidden City as quiet proof of communism’s impending demise (though the outlet is now closed). Here, a top five list of articles that together tell the story of Starbucks’ development in China from international interloper to home-grown coffeehouse. Read on for more.

1. China is major potential market for Starbucks: "Starbucks Soars in China" (Asia Times Online, June 15, 2006):

   In Starbucks’ headquarters in Seattle, a group of company executives meet regularly, but not to discuss new items on the menu or what marketing campaign should be adopted. Instead, their topic of conversation is China.

   They are part of the “China Club”, established by more than 300 senior company officials at the US coffee company. Learning to speak Mandarin recently became a new part of their routine....

   Although China accounted for less than 10% of Starbucks’ US$6.4 billion global sales in 2005, Schultz says the country will soon become the firm’s largest market outside of North America.

   “We look at this market in terms of how quickly Starbucks has been accepted in just a few years. The market response has exceeded our expectations,” Schultz said.

   Since the first Starbucks outlet on the Chinese mainland opened in Beijing in 1999, Starbucks has become one of the most popular brands among Chinese white-collar workers aged between 25 and 40, surveys have shown.
2. A stink over coffee in the Forbidden City: "Starbucks in the Forbidden City" (Danwei, January 19, 2007):

The Starbucks coffeeshop in the Forbidden City might be forced to leave after an online campaign against it started by CCTV anchor Rui Chenggang (芮成钢) on his blogs on Sina and CCTV.com. Jonathan Watts’ article in The Guardian is the best English language roundup of the affair. Excerpt:

**Starbucks faces eviction from the Forbidden City**

According to local media, half a million people have signed [Rui’s] online petition and dozens of newspapers have carried prominent stories about the controversy. "The Starbucks was put here six years ago, but back then, we didn’t have blogs. This campaign is living proof of the power of the web", said Rui. "The Forbidden City is a symbol of China’s cultural heritage. Starbucks in a symbol of lower middle class culture in the west. We need to embrace the world, but we also need to preserve our cultural identity. There is a fine line between globalisation and contamination."

... Mr Rui said ... “But please don’t interpret this as an act of nationalism. It is just about we Chinese people respecting ourselves. I actually like drinking Starbucks coffee. I am just against having one in the Forbidden City.”

3. Starbucks detested in Bloomington, Indiana but beloved in Shanghai (where it was managed by a Taiwanese firm)? ("Sipping Starbucks, from Bloomington, Indiana to Shanghai, China" by Jeff Wasserstrom, January 30, 2008):

Located across the street from Indiana University, the Bloomington Starbucks had become a lightning rod for protest during the months before I set off for Shanghai. Protesters had smashed its windows; they decreed it as a symbol of all that was wrong with American capitalism. They also claimed that the big green coffee machine would trigger the demise of beloved local cafés. Indeed, some struggled to stay afloat. A couple soon went out of business.

These days, Starbucks’ impact on “mom and pop” coffee operations is an open question, with some arguing that independents are thriving **now more than ever**. Back then, the protests set me wondering, as I sipped my first cappuccino in the Starbucks that had opened on Huaihai Road (a once and now again fashionable Shanghai shopping street), whether the Seattle-based chain was inspiring similar reactions in Chinese cities.

Striking up a conversation with the manager, I discovered an intriguing aspect to the Shanghai Starbucks story: The company in charge of day-to-day operations was the Taiwanese firm Presidential Coffee. The logic behind Starbucks partnering with Presidential was that the latter—a company that had previously helped introduce 7-Eleven stores to the Philippines—would be able to ensure that any necessary cultural accommodations to an Asian setting would be made.

As I walked the streets of Shanghai and frequented its bookstores (the shelves of which often contained multiple books on topics relating to coffee), I learned that, far from undermining the viability of independent cafés, the arrival of Starbucks in Shanghai contributed to the proliferation of new coffee houses, some of which used signs that mimicked the color scheme or at least the circular motif of the Seattle-based firm. And local Chinese language guidebooks did not present Starbucks as an “American” establishment, but rather referred to it as a “European-style” one, in order to contrast it with Manabe, the high-priced Japanese chain that had made its mark on Shanghai in the late 1990s.


Wang Jinlong, president of Starbucks for greater China, chimed in saying the company “wants to make its coffee from China as well-known and as high-quality as Chinese tea”. While Starbucks has been shutting stores across the US, Coles says Starbucks has “so much space for growth in China, we’re barely scratching the surface even today of what we think the demand potential is for this market”.
5. And on the subject of making the global local, with Starbucks as part of the mix, Pico Iyer from Japan ("One Man’s Junk Food," New York Times):

Yet when my friends visit me, from New York or London, they never seem very delighted when I bring them to this McDonald’s parlor (admittedly a tiny one) at my local train station, in the suburbs of Nara, the ancient Buddhist capital of Japan. And they don’t look much happier when I tell them that we can eat the Chinese cabbage and broccoli au gratin that Colonel Sanders is dishing up downstairs, or sample a strawberry mille-feuille crepe at Starbucks near the platform entrance. The places I’m inviting them to could not be more indicative of life in Japan, or almost anywhere, today: Live globally by eating locally. Yet our minds have not always adapted to the fact that many of the essential restaurants in the world these days are not indigenous and not American, but a wild and shifting mixture of the two—a floating café of a whole new global order.