**Starbucks Script**

Right. Good morning everybody. How are you today? Before we start, as usual I’d just like to say that if you go to my homepage, stevenaskew.com, you can download the MP3, script, some listening questions and sample answers for this talk and all of my talks. Also, if you have any topics you'd like me to talk about, put them in the comments section below here. Thank you.

Well, a few weeks ago, I talked to you about coffee. I don't know if you remember, but I kind of like coffee. In fact, I had rather a large coffee this morning, so I might be a little bit jittery, a little bit shaky. So, today, I thought I'd try and talk a little bit about Starbucks. Now, in the city I live in, there are approximately fifteen Starbucks. This city has a population of about 1.9 million people, so fifteen Starbucks is probably not that high. I don't know.

Anyway, let’s talk a little bit about the background of Starbucks. Where did Starbucks start? Well, of course, Starbucks comes from America. A city called Seattle, Washington, and it opened on March the 31st, 1971, a few years before I was born, and in the beginning, it was located on 2000 Western Avenue, but in 1976 it moved to 1912 Pike Place and it is still there. If you go to 1912 Pike Place in Seattle you can actually have a coffee in the original Starbucks, however most tourists who go to Seattle try and do the same thing, so if you do go there to have a coffee prepare to wait for a while, there's going to be quite a long line.

Now, who started Starbucks? Well, it was started by three people who met at the University of San Francisco. There was an English teacher called Jerry Baldwin. I’m an English teacher! Maybe I'm going to start a chain like Starbucks in the future. Who knows? There was a history teacher called Zev Siegl and there was a writer called Gordon Bowker. Now, the three of these people were very interested in coffee. In fact, a friend of theirs, somebody called Alfred Peet, actually taught them how to roast and prepare coffee. If you watched my coffee presentation, you'll know that different ways of roasting produce different flavors from the coffee bean. Now, these three friends, they got together, and they thought, “let's start a coffee shop”. In the beginning they didn't sell drinkable coffee, they just sell the roasted coffee beans. They would buy green beans. They would roast them and sell those beans.

Now, how did they come up with the name Starbucks? Well, obviously, Starbuck is the chief mate from the story Moby Dick, by Herman Melville. I don't know if you've read it. If you haven't, you should try. It might take you a long time, but it is a good read. A friend of one of these people worked in the advertising industry and that friend said names beginning with S T, “st”, were actually very powerful names, so the friends sat down to brainstorm a list of ideas of names beginning with S T. And while they were doing it one of them looked at a map, don't know why, and they saw a town, a mining town called Starbo town, and one of them thought “Starbo? Starbo? Starbo? Starbuck!” and from there, Starbuck, Starbucks, the name was born. And now, of course, Starbucks is one of the most well-known names in the world. Although, I don't know how many people actually know that Starbuck came from Moby Dick. There is no connection to the Moby Dick story itself, just the name.

Now, in 1984 these three friends they bought Alfred Peet's Coffee Shop, his coffee selling business, and they turned that into the second Starbucks. So, by 1984, there are two Starbucks, both of them in Seattle, and the friends have started to sell drinkable coffee. In the 1980s the coffee trend is starting to pick up. Coffee shops are starting to become more fashionable, so their business is slowly increasing. Now, 1987 brings the next big change. One of their managers, an ex-manager, was a guy called Howard Schultz. Now, he also owned his own chain of coffee shops, and he said to the three friends, “I will buy the business from you,” and he paid them $3.8 million for the business. Of course, if the three friends had known what Starbucks was going to become, they might not have sold. Or maybe they would have held out for a slightly higher price. But, anyway, nobody knew. Hindsight is twenty twenty of course. So, they sold the business for $3.8 million. What are those three people doing now? Well, Jerry Baldwin is the chairman of specialty … … is the chairman of a specialty Coffee Association in America. He's also a wine maker. He owns his own vineyard. Zev Siegl. He still works in the coffee business. He roasts and sells coffee. He also has some pie shops. They sell things like apple pie, cherry pie. And Gordon Bowker, he's moved into beer. He has an ale brewery. He makes and sells beer. So, the three people are still working. Of course, they have kind of disappeared from the public consciousness.

Now, Howard Schultz, once he bought the business he started to expand. First of all, he turned his chain of shops, his chain of coffee shops were called Il Giornale. He turned those coffee shops into Starbucks. So, instantly, once he’d bought the chain, he managed to turn his forty-four shops into Starbucks. So, he began to expand aggressively. He saw this expanding coffee market and he realized he had to act straight away.

So, let's have a quick look at the Starbucks expansion. In 1971, of course, when the chain started, there was one shop. By 1984 they had two. Remember they bought Peet's coffee shop and they made two. Howard Schultz buys it in 1986, there are six. 1989, there are forty-six Starbucks coffee shops. He's combined them with his own chain. Now, he continues expanding. 1992, a hundred and forty shops. Now, he starts to spread outside of Seattle. He moves up into Canada and other areas in America. 1996, the first coffee shop, the first Starbucks coffee shop outside America opens. It actually opens in Japan, Tokyo. 1998, there are two thousand shops. 2001, there are four thousand shops. 2004, there are eight thousand shops. The number of shops has started to increase exponentially. 2007, there are sixteen thousand coffee shops. Right now, 2017, do you know how many Starbucks coffee shops there are round the world? There are 31,366. So, the number of coffee shops is increasing, but of course it cannot increase ad infinitum. At some point it must stop and recently Starbucks has actually had to close a few coffee shops because of the global financial problems and things like that. And Starbucks now, because they've reached almost a saturation point, they're having to rebrand themselves. So, Starbucks are moving away from just coffee and they’re rebranding themselves as boutiques. They sell some … some of them sell wine and beers, and they sell other things, they sell merchandise. So, they're not just coffee shops anymore.

So, there are almost thirty-two thousand Starbucks right now. Starbucks can be found almost everywhere in almost every country. Sometimes a little controversially. For example, there is a Starbucks in the Forbidden City in Beijing. If you know the Forbidden City, it's the Emperor's palace. I mean it's called the Forbidden City because regular people were not allowed to go in there. Of course, since the 1912 revolution there hasn't been an emperor and now it's open to the public. But, it's a cultural asset. It's a UNESCO Heritage site. So, Starbucks put a coffee shop in the Forbidden City. And a lot of people were very angry about that. Although, of course, Starbucks had to get permission from the Chinese government. They had to get permission from the people that control the Forbidden City. So, they didn't do anything they weren't allowed to do. So, people shouldn't necessarily get angry at Starbucks, they should get angry at the people that gave Starbucks permission to do that. But, anyway, if you go to the Forbidden City, you can actually sit in a small area of the temple and drink a coffee, which is a little bit strange.

So, because of this, people say that Starbucks is the face of globalization. Starbucks is … Starbucks is globalization. There's a great clip from The Simpsons. Bart Simpson goes into a shopping mall and almost every shop is a Starbucks. The one shop that is not a Starbucks closes down and when he comes back it's now a Starbucks. If I can find it, I'll play that clip now.

“Can I help you?”

“I’d like to get my ear pierced.”

“Well, better make it quick, kiddo. In five minutes this place is becoming a Starbucks.”

OK. Did you enjoy it? it's pretty good isn't it? So, Starbucks may be the face of globalization. Globalization is a process that is continuing and is something that we cannot stop. But, is globalization entirely bad? I mean you can't really talk about Starbucks without thinking about this. I mean what are some of the bad points of globalization? Globalization destroys culture, dilutes cultures because people mix. Rich people get richer, poor people get poorer is one argument. Jobs go overseas. Donald Trump says he's going to make America great again by bringing all the jobs back to America but of course that's not going to happen because, due to globalization, these jobs have moved to places where they’re cheaper, and also automation, but that's another talk for another day.

So, there are bad points, there are negatives associated with globalization, of course, but there are also some positives. We have an integrated economy. People that grow things in Ethiopia, for example, can now sell them in any country around the world, and vice versa. People that grow things in England can now sell them in any country around the world. So, we have an integrated economy. Globalization provides jobs. I mean, Starbucks going around the world, people have to work in their Starbuckses. If jobs are moving away from America, they are moving somewhere, so jobs are being created and we have almost a kind of global balance, a global balancing of the scales, if you want. Jobs are moving from rich countries to poor countries and bringing the wealth levels closer together. We have more understanding of cultures. I mean, you can travel to more countries, you can see and visit and experience more people and cultures than ever before in any point of our history thus far, so we are much more understanding of other peoples. There is more trading, as I’ve already talked about. You can trade with almost any country. And it's part of the process of countries basically coming together. If you look at the histories of most countries a thousand, two thousand, three, four, five thousand years ago, countries, pieces of land that are now countries, were not countries, of course. I mean take my country, England. Two thousand years ago it was a collection of tribes living all over the country, so it wasn't a country called England, it was these peoples and these people and these peoples and gradually over time these peoples came together. They fought, they conquered, they won, they lost, they interbred, and these tribes slowly expanded until by the time the Romans left, in about 450 A.D., you have much larger tribes. England is divided into maybe five or six different areas, maybe a bit more, seven or eight. And then the Danes come in and once the Danes start interbreeding the tribes, these little areas, gradually get bigger and by about 900 we have basically England. The central England, which is now one country, and then of course it continues. It takes, conquers Ireland and Wales and Scotland and makes the country that is now England. Other countries have done the same: America, Japan, all these countries, small tribes have slowly come together and made larger and larger groups until they have made these countries that are generally defined by physical boundaries. Japan, of course, is defined by the sea around it, it's an island. Although, of course, countries in Africa are defined by European, mostly English, made boundaries. But, even so, countries are now pretty much decided. But, this process will continue. Countries that are now separate will slowly come together. They will amalgamate, they will join together. Countries will slowly get larger and larger. So, now Asia is broken up into, I don't know, twenty-five countries, those countries will slowly come together and, at one point, Asia might be one block with no country distinctions. So, this process of globalization, it's not because of Starbucks, it's an ongoing process that's happened for thousands and thousands of years and will continue to happen for thousands and thousands and years … of years. And, when we finally discover life on other planets, of course, it’s then not going to be England, France and Spain, it's going to be Earth versus whatever this other planet is called. Or, if we send people to colonize a planet, say if we put life on Mars, then it's going to be Earth and Mars. So, this is a process that is going to keep going.

Anyway, I don't want to talk too much about globalization. Sorry. OK. So, Starbucks does of course have some negative points. If a Starbucks moves into your neighborhood, it is most likely going to shut down the smaller coffee shops. That is, of course, because of its purchasing power. Starbucks has the ability to lower its prices and continue to make a profit, or continue to function as a business, where, of course, the local coffee shop, a ma and pa coffee shop, possibly can’t do. Although, some countries, like Australia, they were very against Starbucks and they focused on the smaller coffee shops and they pushed Starbucks almost out of the country. There are only two or three Starbucks in Australia, I believe. But, so generally Starbucks will shut down the competition. Although, of course, Starbucks isn't as bad as some other companies. I mean people don't talk about this, but Amazon is shutting down companies, businesses, left right and center. Starbucks only shuts down coffee shops, Amazon shuts down whole industries. Amazon is basically shutting down the retail industry. People don't really talk about that though. So, Starbucks does have some negative points, of course. However, on the plus side, Starbucks is trying to recycle. They, obviously, they use millions of coffee cups every day, billions throughout the year, and they are trying to use recycled paper, recycled card, so they're trying to do something. They're using fair trade coffee. They're trying to be fair to the farmers, the coffee producers. They're trying to use less water. Generally, if you go to a Starbucks, there's a tap left running with water. They're trying to stop that, use less … less water. They're trying to pay their staff more. Starbucks has bonuses and insurance policies and generally pays its staff higher than the average wage. And Starbucks are trying to donate food. Food that's left over at the end of the day, rather than throwing it away, they donate it to food banks. So, Starbucks are trying to do some good things.

So, is Starbucks good or bad? Can we judge? I don't know. I guess it comes down to if we didn't want Starbucks, it wouldn't exist. The fact that we buy their coffee means they can expand into other countries. If we didn't want it, like in Australia, it wouldn't exist. So, is Starbucks good or bad? I don't think you can say that. We want Starbucks; therefore, it exists. Speaking of which, I wouldn't mind a coffee.

Anyway, thanks for listening. Don't forget, go to my site and you can see the script for this talk, download the MP3 and try some listening questions. Remember, if you speak, listen, read, and write, your English is going to improve. Anyway, thanks for listening. This was interesting and fun. I'll see you next time. Bye.

**Starbucks Questions**

1. What would the problem be if you wanted to have a coffee in the original Starbucks?

A: It has closed.

B: It’s too expensive.

C: It’s very crowded.

D: It is in Seattle, Washington.

2. What did Alfred Peet do for the three friends?

A: He taught them how to roast coffee.

B: He told them where to put the first Starbucks.

C: He helped them think of a name for their shop.

D: He bought the company from them.

3. Why did the three friends choose the name Starbuck?

A: Starbuck is the chief mate from the story Moby Dick.

B: They all came from a town called Starbo.

C: They were big fans of the book Moby Dick, by Herman Melville.

D: Names beginning with “st” are powerful.

4. Where did the second Starbucks coffee shop come from?

A: They bought Alfred Peet’s shop.

B: They bought the Il Giornale chain.

C: They sold it to Howard Shultz.

D: They expanded into Japan.

5. Steven says, “hindsight is twenty twenty.” Which of these is closest in meaning?

A: People in the past are very good at predicting what will happen in the future.

B: We can see the past more clearly because of our current knowledge.

C: If you look backwards, it is not possible to see well.

D: There is no way for people in the past to know what will happen.

6. Why did Howard Schultz begin to expand as soon as he bought the business?

A: He didn’t think that people would continue drinking coffee.

B: He had a chain of shops called Il Giornale.

C: He knew the three friends wanted to sell.

D: He saw the expanding coffee market.

7. How are Starbucks trying to cope with the global financial problems?

A: They are opening more shops exponentially.

B: They are rebranding themselves as boutiques.

C: They are opening more shops in China.

D: They will not sell beer or wine.

8. Why shouldn’t people be angry at Starbucks for putting a shop in the Forbidden City?

A: You can drink coffee in the Forbidden City.

B: It is a UNESCO heritage site.

C: There hasn’t been an emperor there since 1912.

D: They had to get permission to build it.

9. What does the Simpsons’ clip illustrate?

A: That Starbucks is the face of globalization.

B: That Bart Simpson likes to drink coffee.

C: That globalization is a great thing.

D: That we should drink more coffee.

10. Which of these is not a negative aspect of globalization?

A: Rich people get richer and poor people get poorer.

B: It dilutes culture.

C: Jobs go overseas.

D: We have an integrated economy.

11. How can Starbucks close down local coffee shops?

A: It lowers its prices.

B: It buys the shop.

C: It tries to expand into Australia.

D: It is a ma and pa coffee shop.

12. Which one of these is something Starbucks is not trying to do?

A: Reduce the price of their coffee.

B: Recycle paper.

C: Donate left over food to food banks.

D: Turn off the constantly running water taps.

13. Donald Trump claims that he will bring jobs back to America. Is this a viable (possible) claim?

14. Steven says, “they’ve reached a saturation point.” What does this mean? Do you agree?

15. If so many people complain about Starbucks, why do we go?

16. Steven believes that all countries are on a path to amalgamation. Do you agree?

17. Do you think that Starbucks should be allowed to put shops in UNESCO heritage sites?

18. Being against globalization is a luxury of developed countries. Do you agree? Write your reasons.

**Starbucks Answers**

1. C 2. A 3. D 4. A 5. B 6. D 7. B 8. D 9. A 10. D 11. A 12. A

13. Donald Trump claims that he will bring jobs back to America. Is this a viable (possible) claim?

No, it isn’t a viable claim. He has basically told the manufacturing sector that he will bring the jobs back, but this will not happen because of the American customers’ desire for cheap TVs.

In order to buy a TV for $79 (I checked on Amazon), the company have to be able to make it for a fraction of that cost. They have to buy the parts, pay labor, shipping charges, import taxes and still make a profit. The only way to make a profit at this price is to cut costs, and they do that on the labor, as it is the only negotiable variable. So, they make the TVs in China, or Myanmar these days, where labor is cheap, and ship them to America. This is how Americans can buy a TV for $79. Americans can either have cheap TVs or they can have jobs in America. They cannot have both. And Donald Trump must know that.

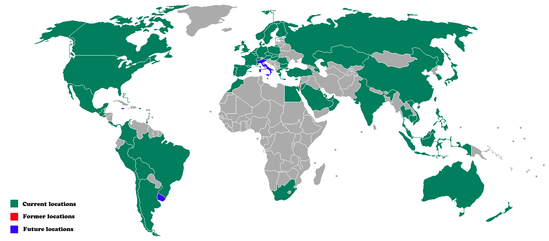
If Donald Trump were to succeed in bringing these labor jobs back to America, then one of two things would have to happen. The $79 TV would cost $379, or the factory would have to be entirely automated to keep the price at $79. If the TV costs quadrupled, people wouldn’t buy it, and the factory would close. If the factory is automated, people will not have jobs. Either way, these jobs have gone for good.

Of course, there is another reason. In the 1970s and 80s in the UK, Margaret Thatcher shut down the coal mines and ship yards because they could no longer compete. Over the next twenty years the UK transitioned to a service economy. America, as with most developed countries, is currently making that change. Unfortunately, a lot of people lose their jobs in that process. It is not pretty, but it appears to be necessary. At least Margaret Thatcher had the guts to be honest about what she was doing. Donald Trump doesn’t. That’s why he is lying.

14. Steven says, “they’ve reached a saturation point.” What does this mean? Do you agree?

If you add something to a liquid, for example sugar into water, you reach a point where the thing being added will no longer dissolve. This is the saturation point. It means there is too much of the thing being added for it to be absorbed. In this case the thing being added is Starbucks and the liquid would be the market. It has reached a point where no more Starbucks can be absorbed.

Do I agree? Yes and no. From a purely objective point of view, there are large parts of the world that don’t have Starbucks. Here’s a map I found on google.



Africa, the Middle East, and various other areas appear to be untapped. Starbucks could continue growing at its current rate for decades, if it expanded into these markets. Of course, there are reasons why there are no Starbucks in those areas. Either the people can’t afford them, or don’t want them. So, if Starbucks could move into these areas, then it is not at a saturation point. However, if it can’t, then yes, we are saturated.

15. If so many people complain about Starbucks, why do we go?

We go because of the convenience, the comfort and the trust. It is very easy to find a Starbucks. They make their presence known with signs, billboards, bright colors and other methods. If you are looking for a coffee, then you won’t have to travel far to find a Starbucks. And they are comfortable. They have nice chairs, good music, they’re warm in the winter, cool in the summer, they are aesthetically pleasing. And, whatever country you are in, you can trust that the drink you order will be the same as it would be in any other country. They might have regional variations, but the general menu is always the same and you know exactly what you are getting.

The idea that so many people complain is probably more of a myth than a reality. The fact that there are so many Starbucks around the world proves that people are using them. Business logic would suggest that if there were no customers, there would be no Starbucks. So, the only logical conclusion is that the people who complain do not use Starbucks while the people who do use Starbucks don’t complain.

16. Steven believes that all countries are on a path to amalgamation. Do you agree?

This is a difficult one to argue. I am going to have to agree with him. I automatically want to say that he is not right, because people in different countries are too different, both in culture and language, from their neighboring countries, but, then, Steven would counter, saying that you could have said the same about the small “countries” within England 1500 years ago. And he would be right. Just because we are different to each other, doesn’t mean we can’t come together. The EU, for example. Countries that have been fighting each other off and on for over a thousand years are now coming together. Admittedly the UK is attempting to leave, but, for the most part, they are amalgamating. You can work in any country, trade with any country, and English is fast becoming a language you can use in any country. How long before the separate countries become states within the EU? And then, what would the next step be? The continents? They would be the next logical groupings of people. In a thousand years, will someone be writing an essay like this, arguing that the countries (our continents) can never come together because they are too different?

I think it is happening. I think it will continue to happen. I think our desire for peace, and our desire for commerce will see to it.

17. Do you think that Starbucks should be allowed to put shops in UNESCO heritage sites?

I don’t think they should be allowed to, for the same reason that I don’t think temples in Japan should have vending machines in their gardens (some of them do). It spoils the building. What is the point of designating something as a UNESCO heritage site if it is not going to be protected? Ancient buildings should exist within a protective bubble. Will it really hurt people to have to wait until after they have left the Forbidden Palace before they can enjoy their coffee? UNESCO heritage sites should be kept as close to the original as is humanly possible.

18. Being against globalization is a luxury of developed countries. Do you agree? Write your reasons.

I do agree, but I think we need to make a key distinction between the globalization of the world and the Americanization of the world. People in rich countries, largely America, can see the flow of jobs to poorer countries and they can see the effects globalization has on local cultures. They learn at school about the death of languages and the onwards march of capitalism. However, they see it from the top of the tower looking down. It might be patronizing to say it, but, they don’t see from the bottom of the tower looking up. One of the reasons that there is so much immigration into America is because of the worldwide popularization of the American dream. People want to eat hamburgers, drink coke and wear jeans and sneakers. They want it. Do we have the right to tell them that what they want is wrong? Do we have the right to tell them that they should wear traditional dress and eat traditional food? It reeks of us, mostly in the west, treating those in less developed countries as children that need protection. It is a very arrogant basis for thinking. How would we feel in England if Americans started telling us that we had to only drink tea, wear top hats and carry umbrellas? I don’t think we can force people to fight against globalization. People in developed countries believe they are the protectors, but they were once where the people in developing countries are today. We have all admired something and striven for it. The only difference is now we are looking at a worldwide scale.