By SHOSHANNA DELVENTHAL Updated January 17, 2022 Reviewed by CHIP STAPLETON Fact checked by SUZANNE KVILHAUG Starbucks vs. Dunkin': An Overview Starbucks Corp.Dunkin' Donuts' international revenue contributes only a small part to total sales, while over 26% of Starbucks' revenues are generated outside the U.S. Dunkin' has announced aggressive international and domestic expansion plans with the hope of challenging its main competitor's footprint, but the difference in scale stems from variations in expansion strategy.Focus and Branding (concentration strategy) Dunkin' Donuts markets itself primarily as a coffee seller that also offers donuts and food, a fact made apparent by a coffee cup prominently featured on the company's logo and executive management's explicit assertion that Dunkin' Donuts is a beverage company.Both companies have doubled down on strategic tech initiatives like mobile ordering and delivery, explaining Dunkin' Donuts' partnering with Alphabet Inc.'s (GOOG) navigation app Waze.Dunkin' Dunkin' Donuts markets itself primarily as a coffee seller that also offers donuts and food, a fact made apparent by a coffee cup prominently featured on the company's logo and executive management's explicit assertion that Dunkin' Donuts is a beverage company.Starbucks generated over $23.5 billion in 2020, while Dunkin' Brands' 2019 annual revenues were $1.3 billion (Dunkin' was sold to Inspire Brands in 2020 and no longer reports stand-alone financial statements).Starbucks has a larger footprint, with over 30,000 locations worldwide, compared to Dunkin' Brands' 13,000 locations.They target premium, high- traffic, high-visibility locations near a variety of settings, including downtown and suburban retail centers, office buildings, university campuses, and in select rural and off-highway locations across the world.Dunkin' Donuts' higher exposure franchises lead to a fundamentally different business than Starbucks' largely owner-operator model, which has major implications for revenue streams, cost structure, and capital spending. o 3.2) Starbucks SWOT Analysis: o Strengths: Strong Market Position and Global Brand Recognition: Starbucks has a significant geographical presence across the globe and maintain a 36.7% market share in the United States and has operations in over 60 countries.While Starbucks is undeniably impacted by the macroeconomic environment, it is firmly established with a more resilient and less price-sensitive customer base, which helps to dampen the blows brought on by economic cycles.Dunkin' Donuts' higher exposure to franchise and rental income leads to a fundamentally different business than Starbucks' largely owner-operator model.While Starbucks is undeniably impacted by the macroeconomic environment, it is firmly established with a more resilient and less price-sensitive customer base, which helps to dampen the blows brought on by economic cycles.In company filings and earnings conference calls, Dunkin' Donuts' management has described its intent to be the lowest cost provider in the market while maintaining quality above an acceptable minimum.Licensed Starbucks stores are disproportionately located outside the U.S. Company-operated stores have different operational and capital expense structures from franchised locations.In company filings and earnings conference calls, Dunkin' Donuts' management has described its intent to be the lowest cost provider in the market while maintaining quality above an acceptable minimum.In economic downturns, people with lower disposable incomes are more likely to alter their consumption habits than people with larger financial cushions.Dunkin' has announced aggressive international and domestic expansion plans with the hope of challenging its main competitor's footprint, but the difference in scale stems from variations in expansion strategy.Because COGS is so much more prominent in Starbucks' expense structure, its profits are more severely impacted by changes in coffee bean prices.In economic downturns, people with lower disposable incomes are more likely to alter their consumption habits than people with larger financial cushions.Because COGS is so much more prominent in Starbucks' expense structure, its profits are more severely impacted by changes in coffee bean prices.Dunkin' Donuts' interiors are designed to be aesthetically different from Starbucks stores, with the former often resembling fast food stores in furnishings and decor.Starbucks has a larger footprint, with some 28,209 locations worldwide, compared to Dunkin' Brands' more than 20,500 points of distribution across the globe.Roughly 30% of Starbucks' consolidated net revenues of $6 billion in the most recent period ended April 1 were attributed to markets outside of the Americas.Starbucks also has a higher capital expense burden than Dunkin' Donuts, which is not obligated to purchase kitchen equipment for franchise locations.(See also: Who is Myron E. Ullman, New Starbucks Chairman?) In a press release posted on July 11, 2018, David Hoffman was named CEO of Dunkin' Brands.Starbucks also has a higher capital expense burden than Dunkin' Donuts, which is not obligated to purchase kitchen equipment for franchise locations.The company offers a comfortable and quiet environment with free wireless internet access, encouraging customers to stay to socialize, work, study, browse media, or listen to music while consuming their Starbucks products.Starbucks effectively leverages its rich brand equity by merchandizing products, licensing its brand logo out.Such strong market position and brand recognition allows the company to gain significant competitive advantage in further expanding into international markets and also help register higher growth in both domestic and international markets.Diverse Product Mix: Starbuck portfolio of products given in, that caters to all age groups demographic factors.(SBUX) and Dunkin' Brands are the two largest eatery chains in the U.S. that specialize in coffee.Despite being founded 20 years after Dunkin' Donuts, Starbucks grew aggressively and is a substantially larger company.Dunkin' Brands has a substantial international presence, though many of its international locations are Baskin-Robbins ice cream stores rather than Dunkin' Donuts stores.KEY TAKEAWAYS o Starbucks and Dunkin' are the two biggest coffee-focused eatery chains in the U.S. o Starbucks is a bigger company in terms of market capitalization and the number of stores globally.o Dunkin' stores resemble more traditional fast-food eateries and they offer more competitive pricing relative to Starbucks.Travis currently serves as chairman of the board.