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Why Starbucks Is Sponsoring MSNBC's 'Morning Joe'

CMO Terry Davenport Says Coffee Chain Sees Opportunity to Promote Ethical Commitments

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CHICAGO (AdAge.com) -- This week Starbucks announced a title sponsorship of MSNBC's "Morning Joe," the first such cable-news deal in decades. But the coffee retailer's chief marketer, Terry Davenport, said the news and a morning cup of coffee just go together.



A Starbucks coffee cup is seen on the set of MSNBC's 'Morning Joe.'

"It was something seen as bold new step by so many people, but we didn't look at it as a reason for doing it but the next unconventional go-to-market strategy that comes from a more authentic kind of place," Mr. Davenport said. "It would be one thing for a toothpaste to sponsor the morning news, even if you brush your teeth in the morning. But there's something about drinking your cup of coffee and catching up with the news."

Reports of the deal earlier this week estimated that Starbucks had laid out about \$10 million for the sponsorship, but Mr. Davenport said that estimate is "way off." "Anyone who's been following our measured-media buying would know that figure would be a significant chunk of our spend," he said, adding

that the MSNBC deal isn't among Starbucks' biggest initiatives of the year. According to TNS Media Intelligence, Starbucks spent \$28 million in measured media during 2008. The chain has said its spending will be flat this year.

The partnership, a one-year deal at the outset, will give Starbucks very brief promotional opportunities, during which Mr. Davenport said the chain will promote its ethical commitments. "I think one of the things you'll see us do with this relationship is our 'Shared Planet' strategy and messaging," he said. "We don't see this as a forum for Pumpkin Spiced Latte, but a forum for talking about ethical sourcing, responsible growing of coffee and volunteerism in local communities. I think it's a very appropriate forum for us to get those types of messages out."

Joe Scarborough 'a big fan'

The partnership itself appears to be the result of some schmoozing. After ongoing discussions with both General Electric and NBC, Mr. Davenport said "Morning Joe" host Joe Scarborough casually dropped in to a recent meeting Starbucks CEO Howard Schultz was having with network executives.

"He introduced himself to Howard and said he was a big fan," Mr. Davenport said. "It kind of grew from there." Incidentally, "Morning Joe" anchors have been drinking Starbucks on air for several years. Mr. Scarborough has said viewers have been asking if Starbucks was paying for that placement for quite some time.

Monday's announcement of the deal, as with any news from Starbucks, brought an inevitable onslaught of criticism. One commenter at MyStarbucksIdea.com wrote that given the economic climate, the partnership is "probably the most insane business decision made by any corporation thus far, and that is saying something."

Mr. Davenport said Starbucks knew the partnership wasn't going to make everyone happy. "There are very few things we could do, especially in the bright lights today, that its not going to get a lot of scrutiny one way or the other," he said. "For everybody online, there's someone thinking it's leaning too far right or too far left. We see it as smart, authentic conversation that we felt comfortable being a part of."

Too conservative? Too liberal?

Starbucks is, after all, the darling of many a liberal elite. While MSNBC is generally seen as a moderate, if not liberal, network, Mr. Scarborough is a former congressman with a conservative record. Such an alliance could cut at Starbucks' core. But for some, the partnership did not seem conservative enough. A number of commenters on StarbucksGossip.com asked why Starbucks hadn't considered such a partnership with Fox News.

During an interview on the morning show, Mr. Schultz said, "You want to do business with people with like-minded values." He added that Starbucks' model of "balancing profitability with a social conscience" may have been an added inducement for MSNBC.

For all the hubbub, Brand Keys President Robert Passikoff said he wonders if the whole thing will amount to a hill of beans. "The problems Starbucks has faced have nothing to do with a lack of visibility or awareness," he said. "I believe the folks that watch 'Morning Joe' are probably the folks that were buying Starbucks to begin with."

He added that Starbucks is probably "looking for any opportunity that they can, given the state of the brand in the marketplace. I think you file this under 'seemed like a good idea at the time.'"

