

## Global coffee giant responds to shifting consumer habits and rising operational costs



Starbucks has announced a major restructuring plan that includes the closure of several underperforming stores and a wave of layoffs affecting corporate and retail staff. The decision comes as the company faces changing consumer behavior, increased labor costs, and a push toward digital-first service models.

Executives say the closures will focus on locations with declining foot traffic, while investments will be redirected to drive-thru, mobile ordering, and international expansion. The layoffs are expected to impact hundreds of employees, though Starbucks has pledged severance packages and career transition support.

***“We’re evolving to meet the future of retail — with compassion and clarity,” said CEO Laxman Narasimhan.***