

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.