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## **Starbucks expanding beer, wine sales this year**

NEW YORK: Starbucks Corp, which sells the coffee that helps many Americans get wound up for their day, is offering more of their customers a way to wind down.

The world's biggest coffee chain plans to sell beer and wine in as many as 12 cafes in Atlanta and Southern California by the end of the year, as it expands beyond its well-known coffee.

Starbucks introduced those beverages to a Seattle cafe in October 2010. It now sells beer and wine, as well as evening snacks like cheese plates, flatbread and desserts, in five Seattle-area stores and in one cafe in Portland, Oregon. Beer sells for \$5 and wine prices range from \$7 to \$9.

The company, which is testing beer and wine sales in Spain, previously announced plans to bring the new "adult" beverages to as many as seven Chicago-area cafes by the end of 2012.

The news about the addition of California and Georgia cities to the beer and wine test prompted thousands of comments on social media site Twitter from people excited about the company's plans.

But some restaurant experts said that selling alcoholic beverages could anger community groups and complicate the company's operations.

The new business opportunity may not outweigh the headaches, said Bob Goldin, executive vice president at consulting firm Technomic, pointing to possible opposition from people who live near the cafes, difficulties obtaining liquor licenses and alcohol laws that vary from state-to-state. "I think it creates more problems than it may be worth," Goldin said.

Clarice Turner, Starbucks' senior vice president of U.S. operations, said that many other restaurants sell beer and wine and that Starbucks is no stranger to venturing into new territory. "It's just a natural place for people to connect and unwind," Turner said.

She added that the company had carefully chosen the roughly 25 U.S. cafes that will be selling alcohol in the afternoon and evenings and that it has no plans to offer beer and wine in all of its 17,000 cafes around the world.

Quick-service restaurant chains in the United States are adding morning and late-night menus and extending food and drink options in an effort to boost sales. Starbucks, Burger King and Sonic Corp are among the chains experimenting with alcohol sales.

**California-based industry watchdog Alcohol Justice has criticized the moves by Starbucks and Burger King, which offers beer at some of its new Whopper Bar restaurants. "The more places that open, the more risk there is of alcohol-related harm," said Sarah Mart, the group's director of research, pointing to underage drinking.**

Seattle-based Starbucks recently completed a restructuring and has been reporting some of the restaurant industry's strongest sales growth. Starbucks' shares closed down about 1.7 percent to \$47.34, ahead of its quarterly financial report, but remain up more than 40 percent from a year ago.

Starbucks also plans to open juice bars in the United States this year, a move some analysts said is more compatible with its main business. Some experts said the chain may be wisest to stick to its knitting.

Edward Jones analyst Jack Russo said restaurant chains historically have had difficulty moving into new meal time slots. He would rather Starbucks focus on its core breakfast and lunch businesses by coming out with new drinks and tastier food. "I'd prefer to see the company be more focused. You can't be all things to all people," Russo said. -DNA