

Starbucks closes 400 outlets in US; plans USD 1 billion restructuring plan

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Dhaka: American coffee shop chain Starbucks has closed around 400 outlets across the United States. The move came as the initial phase of the company's USD 1 billion restructuring plan.

By the end of 2025, Starbucks closed 42 stores in New York, followed by 20 in Los Angeles, 15 in Chicago, seven in San Francisco, six in Minneapolis, five in Baltimore, and dozens more in other cities.

The company reviewed more than 18,000 outlets in the US and Canada to identify the most underperforming and outdated ones, and upon identification, destined the selected ones for closure.

Experts said for a retail chain, abolishing a lower-performing shop gradually increases sales of nearby others that ensure improved experiences and enhanced accommodation for repeating loyal

customers.

Sales of Starbucks have dipped recently, mainly due to competition from niche coffee shops, smaller chains, and a rising popularity of smoothies, bubble tea, and other beverages.

Furthermore, after the pandemic, a large part of the urban population moved to suburban areas, significantly reducing Starbucks's market size, as the company followed a strategy of saturating cities with more and more outlets.

Additionally, the rise of remote work has also played a vital role in Starbucks's decline. A huge number of office workers, commuting every day for work, used to depend on urban coffee shops for refreshment.

After completing the initial part of their USD 1 billion restructuring plan, Brian Niccol, the CEO of Starbucks, appointed last year, is moving ahead to execute the next phase.

In 2026, Niccol plans to open new outlets and renovate 1,000 others. These shops will feature refreshed designs and elevated experiences that reflect the Starbucks brand.

The newly established ones will include drive-through stores in suburban areas, where operating costs are considerably lower.

Under CEO Niccol's leadership, Starbucks was expected to turn around sharply within a very short time. But now it is taking longer than investors had expected. Shares of Starbucks dropped by 6% last year.

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