



TECH TALKS

# Data with Coffee

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How Starbucks uses technology to understand their customer better?

# Starbucks

## A COFFEE COMPANY:



- Founded in 1971, Seattle
- Sold it to Howard Schultz in the early 80s
- 33,833 stores in 80 countries
- What they serve:  
high-quality coffee, espresso-based drinks, hot  
and cold drinks, frappuccino, teas and so on.

# DEEP BREW

- Reinforcement learning platform
- First introduced at the beginning of 2019, developed by Starbucks, with help from Microsoft



# The Digital Flywheel Strategy

- Launched the mobile app in 2011
- Mobile app helps collect customer data; the algorithm find insights to help Starbuck make better strategic decisions



# Personalized Recommendations

Use AI to analyze consumer spending and preferences, generates Personalized recommendations, develop new products





Same-store sales increased 6% after a year, reached an 18 million customer base at the end of 2019

# The Benefits of AI-driven platform



# DEEP BREW BENEFITS

- Maximize the customer lifetime value



# DEEP BREW BENEFITS

- Generates valuable insights(e.g. 25% of customers don't add milk to iced coffee and 43% of tea drinkers don't put sugar into tea)



# DEEP BREW BENEFITS



- Internet of things(IoT), automatic time-consuming tasks (Maintenance & Inventory)

# DEEP BREW BENEFITS

- Powerful for predicting the future (Selection of new locations is based on data)



# REFERENCES

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thank  
you!

