



# Starbucks

Digital transformation



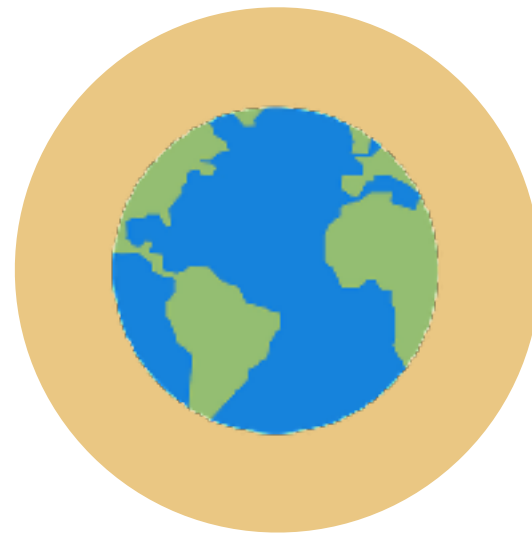
# HISTORY

- Founded in 1971 in Seattle
- “Specialty Coffee”
- Purchased in 1987  
by Howard Schultz
- In two years, 46 locations  
across several states

# PRESENT



**27,339  
Store**



**76 Different  
Countries**



**\$22.4 Billion  
Revenue**



# BUSINESS COMPOSITION

## Company-operated Stores

13,275 stores

79 percent of 2017 revenue

8,222 stores in U.S.

More than 1,000  
in Canada, China, Japan  
each

## Licensed Stores

14,064 stores

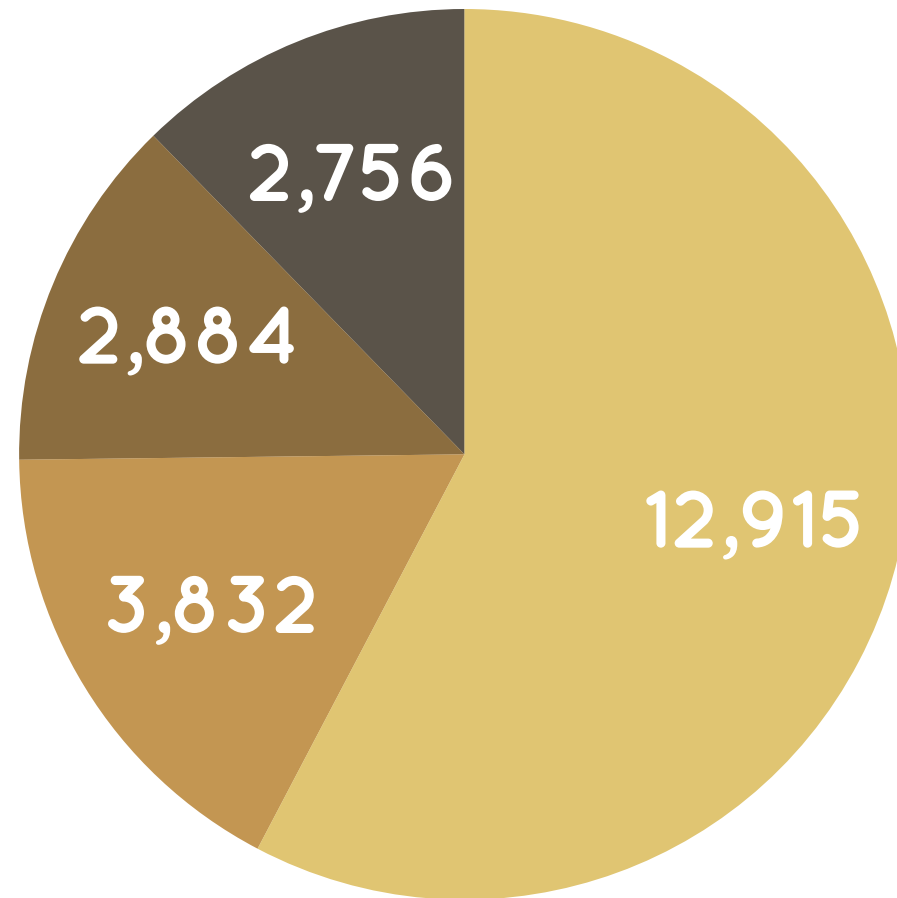
11 percent of 2017 revenue

5,708 stores in U.S.

More than 1,000  
in China and Korea each

# Starbucks Revenue by Product, Oct. 2017

(Millions of USD)



- Beverages
- Food
- Packaged and single-serve coffees and teas
- Other

# SUPPLY CHAIN FLOW

Green coffee beans are purchased from farmers



Tend to be located in Central America,  
northern South America, east Africa,  
southeast Asia



Roasting plants are located in U.S.,  
plus one in Netherlands

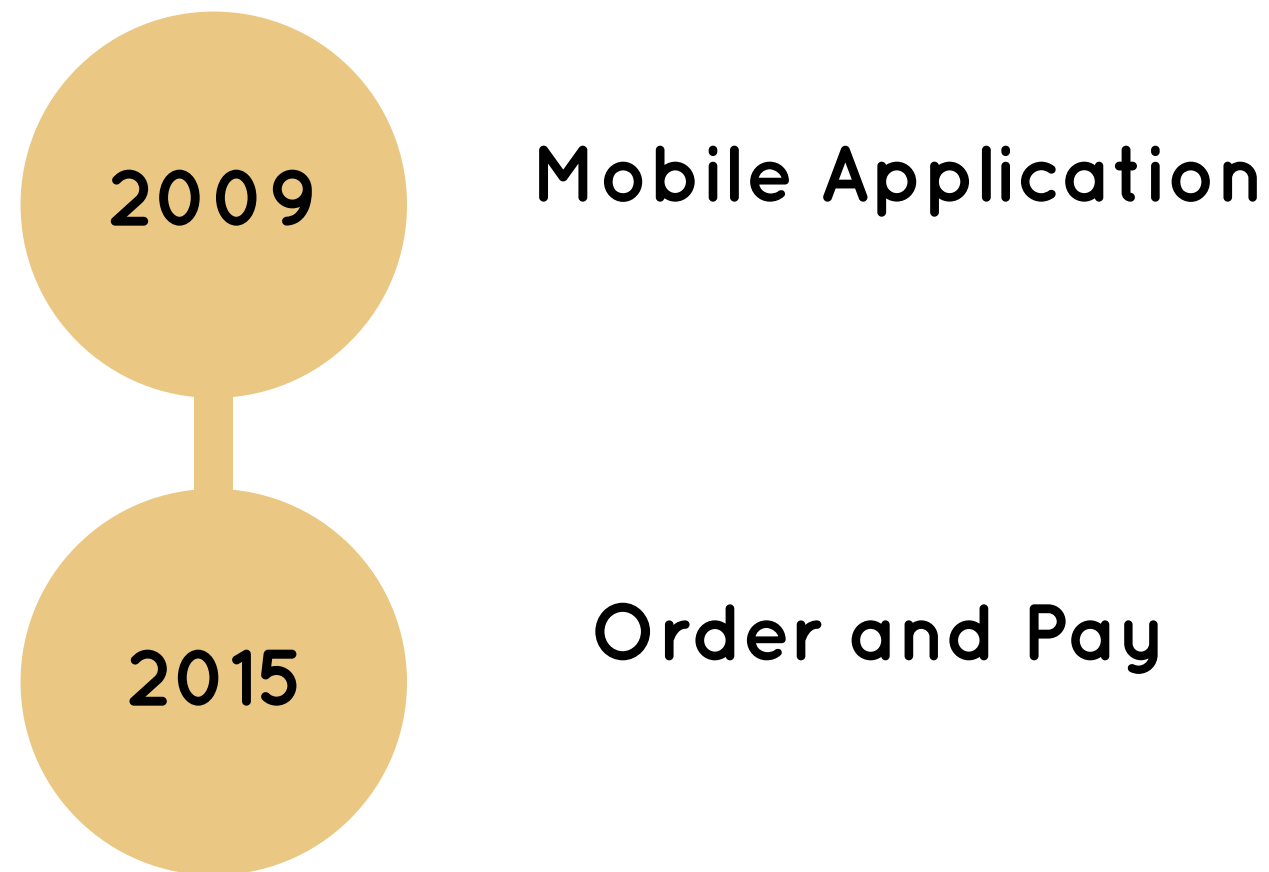


Distribution centers and partner  
manufacturing are worldwide

# Digital Transformation

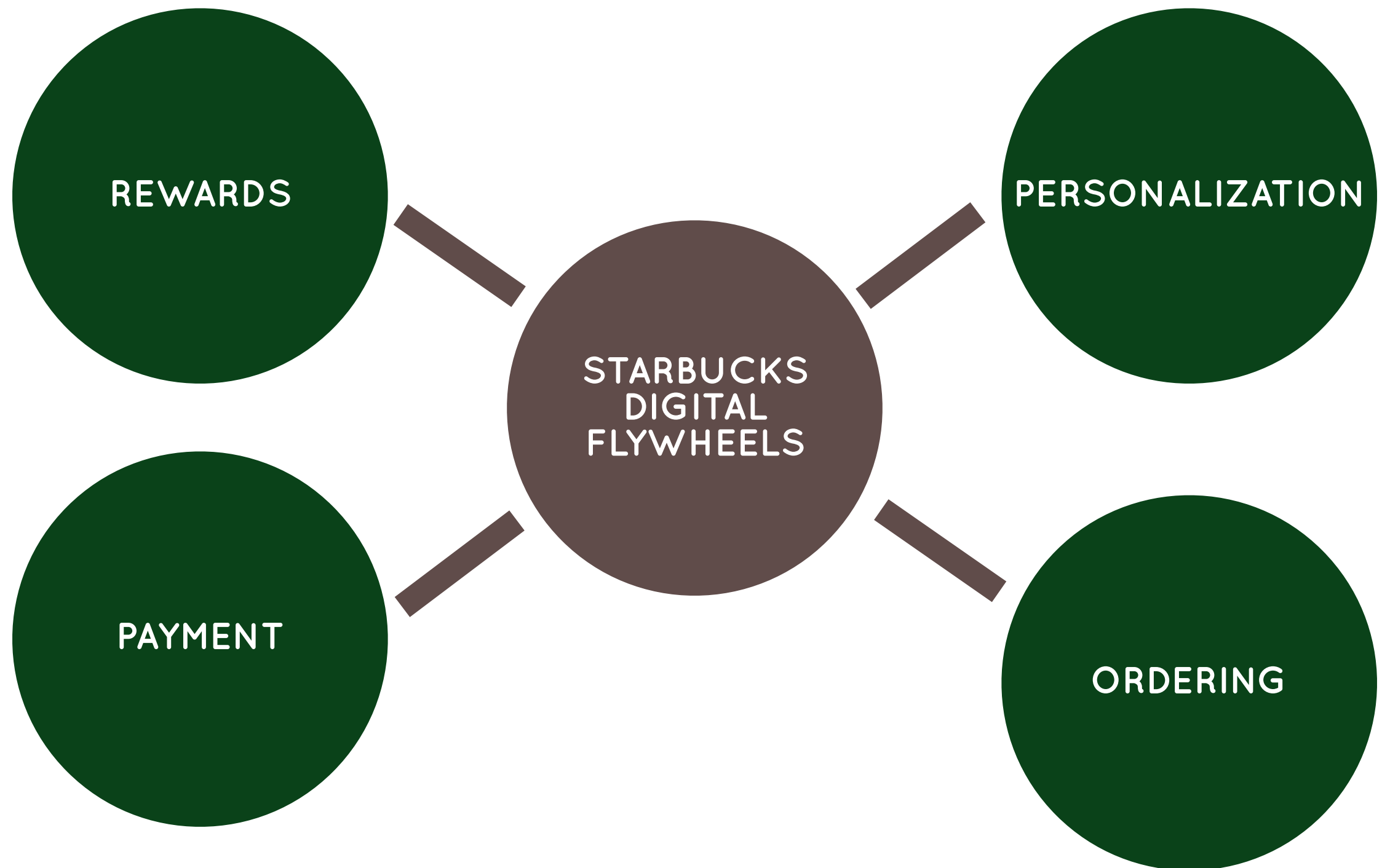
# DIGITAL TRANSFORMATION

Focus: Customer Loyalty & Experience



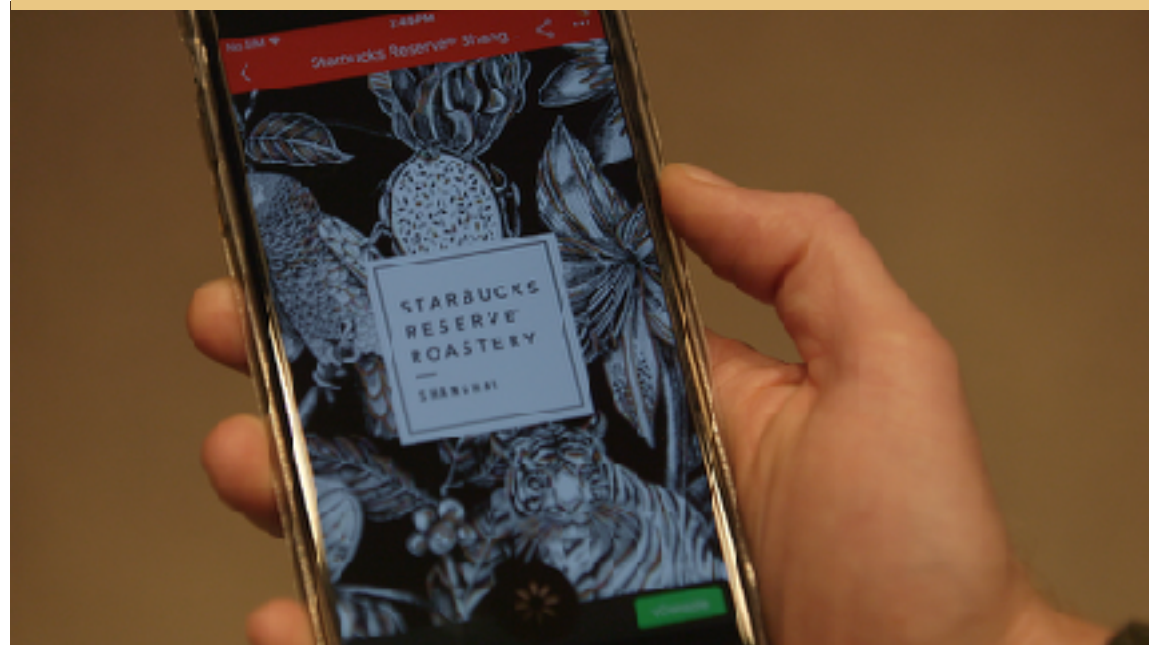


# DIGITAL FLYWHEEL



# STARBUCKS X ALIBABA

- China: fastest growing market
- The second biggest store
- Digital experiences



- Starbucks x Taobao app with augmented reality technology.
- AR features: visuals, information about different beverages and how the roasting takes place.

# CIOs of Starbucks



# STEPHEN GILLET

## FORMER CIO

- Revolution of the order and payment system
- Digital Marketing
- Online membership system and customer loyalty program
- Mobile application



# **GERRI MARTIN- FLICKENGER**

## **CURRENT CTO**

- Innovation and IT transformation
- Improving and optimizing the APP
- Utilization of big data analysis



# **Information Flow Model**

# INFORMATION COLLECTION



Point of  
Sales



Mobile  
Application



Third-party  
Platform



# INFORMATION PROCESS AND STORAGE



Microsoft



SQL Cloud Service



Oracle



CRM with Point of Sales



# INFORMATION ANALYSIS AND CREATION

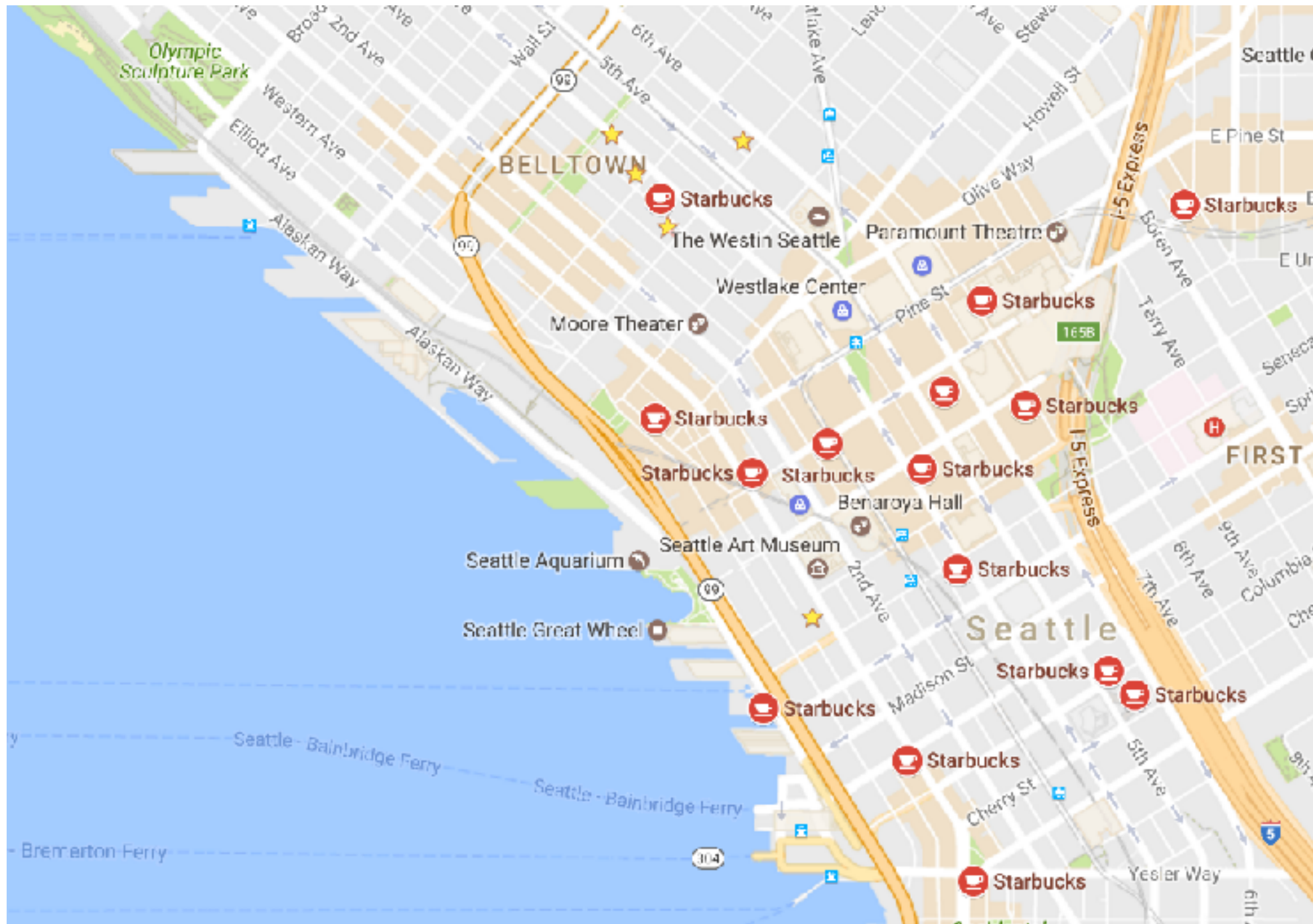


- Big Data Analytics
- Data Mining
- Artificial Intelligence

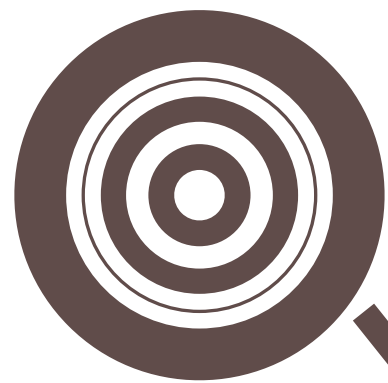


- New Products in Grocery Stores
- New Stores Opening

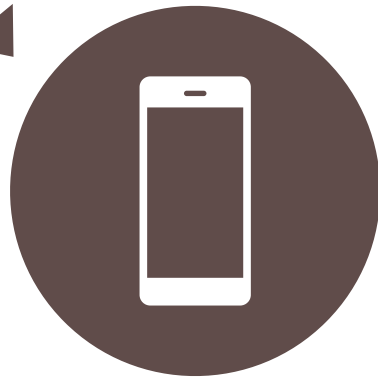
# INFORMATION CREATION



# INFORMATION DISSEMINATION



Targeted Marketing



Notifications



Heat Wave = Frappuccino

# Analysis

# COMPETITIVE ANALYSIS

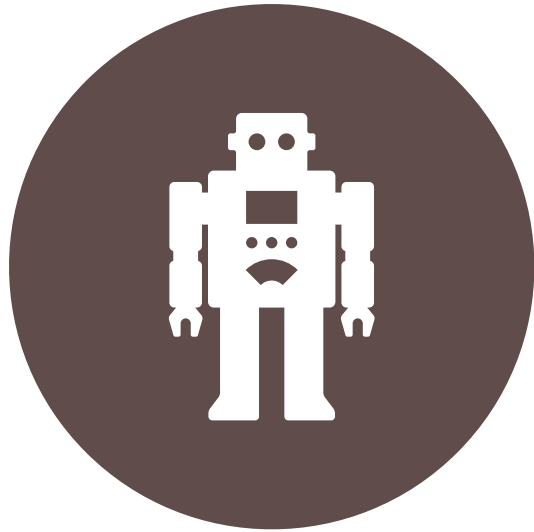


- Launched Wallet Application, accounted for 3% of transactions
- Losing in number of stores and growth
- Market Cap of \$8 Billion

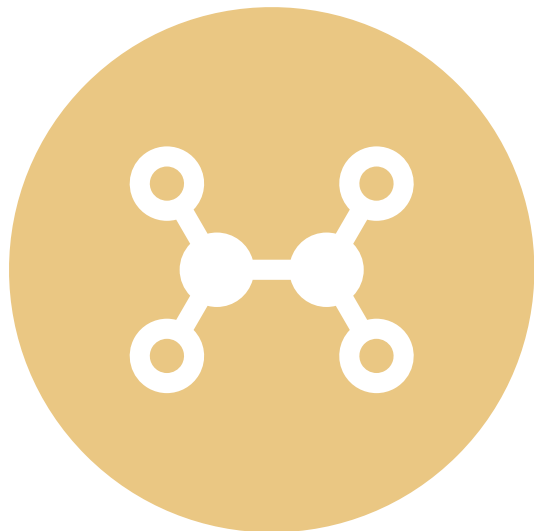


- High Operating Expenses
- High Price per Cup
- Market cap of \$80 Billion

# FUTURE TREND



IOT AND ROBOTICS



BLOCKCHAIN TECHNOLOGY



**Thank you**