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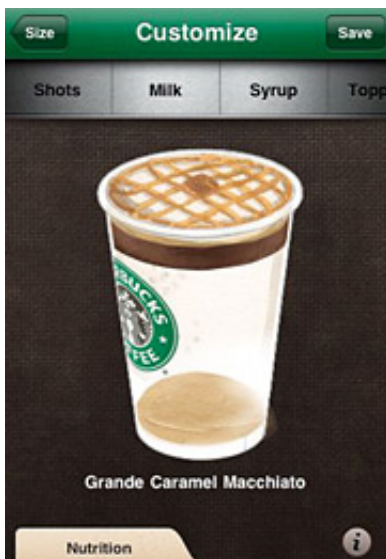
## Starbucks Gets Its Business Brewing Again With Social Media

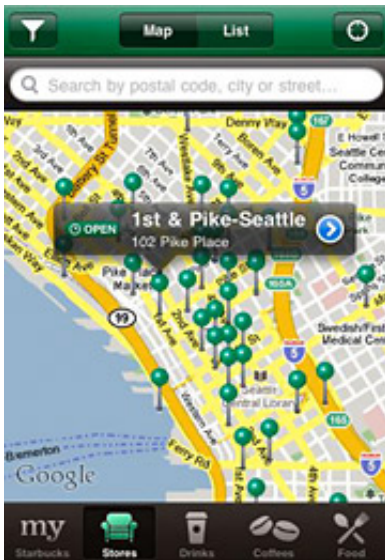
**How the Company Turned Around Sales by Finding 'Intersection Between Digital and Physical'**

By [Emily Bryson York](#)

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CHICAGO (AdAge.com) -- Let's get this straight right away: Return on investment in social media is not measured in how many friends you have on Facebook or how many followers you have on Twitter. It's not calculated in trending topics or YouTube comments. It should, in fact, be held to the same criteria other marketing channels are: Did it move your business?





It's done just that at Starbucks, which is a digital marketer worth watching.

No one would have guessed at that turn of events during the chain's dark days of early 2008. Sales and traffic had begun to slip for the first time in its history as a public company. Founder Howard Schultz, returning to handle day-to-day management, even admitted that Starbucks had lost its soul. As part of Mr. Schultz's multifaceted turnaround plan, the chain launched [MyStarbucksIdea.com](http://MyStarbucksIdea.com) in July 2008 as a forum for consumers to make suggestions, ask questions and, in some cases, vent their frustrations. The website now has 180,000 registered users. Some 80,000 ideas have been submitted, 50 of which have been implemented in-store.

Chris Bruzzo, Starbucks' VP-brand content and online, said amassing Starbucks' 5.7 million Facebook fans and 775,000 Twitter followers could be tougher for a dental-floss brand. "Maybe we have an unfair advantage because in so many ways Starbucks and the store experience is like the original social network," he said. Consumers "come in, hang out and talk to our store partners. They sort of got to know us as a brand in a very social way."

But he's quick to point out that Starbucks' advantage could easily have been squandered. "If we had approached it not from 'what you know and love about Starbucks' but as a marketing channel, we would have taken this down a path that would have been very different," he said. "This was not [built as a] marketing channel, but as a consumer relationship-building environment."

More important than the number of fans, however, is that the coffee chain is beginning to see sales lifts following social-media promotions.

## Results

Starbucks posted its first U.S. same-store sales gain in two years for the last quarter during a time when the company relied on digital and social-media promotions instead of what had become an annual TV blitz. The chain partnered with Pandora to sponsor holiday playlists, staged a Facebook sing-a-long and leveraged its partnership with Project RED to drive traffic to a dedicated microsite -- and its stores, offering a free CD with a \$15 purchase.

Mr. Bruzzo said that the company is benefitting from a trend "toward this intersection between digital and physical."

"We're seeing the beginning of that," he said. "The experiences you have online can translate to rich offline experiences."

The first time Mr. Bruzzo noticed this intersection was on Starbucks' "Free Pastry Day" last summer, when consumers could visit the company website or its Facebook page and download a voucher for a free pastry. Mr. Bruzzo, who visited multiple stores that day, said he was amazed at the number of people standing in line holding coupons they'd printed out. He said the impetus for free pastries was the volume of faithful online followers asking to be included on new products or other company news.

The secret to Starbucks' social-media success is, at least in part, the fact that it plays it cool. "It's not like we started our Facebook community, got to a million people and started pushing offers at them," he said. "We built up a community of people who enjoy engaging with our photo albums from our trip to Rwanda, who loved to have these shared moments around their favorite drinks." Then, fans started asking the company what was going on, and how they could be included.

### **'Straight scoop'**

An added benefit of Starbucks' social-media progress has been the ability to quickly manage rumors that could have dogged the company for days. Last January, a story spread that Starbucks was donating its profits in Israel to fund the country's army -- even though Starbucks doesn't have any cafés in Israel. These days, Mr. Bruzzo said, when misinformation gets out, it's easier to nip it in the bud.



Chris Bruzzo, VP-brand content and online, Starbucks

Internally, it's called the "embassy strategy." Starbucks strives to make MyStarbucksIdea and its Facebook and [Twitter pages](#) places that "when you go there you know you're going to get the straight scoop," he said.

After ceding its usual first-to-market status to competitors, Starbucks launched two iPhone apps in September, one for general café purposes, with store locators, details about specific blends and nutrition information, and the other to support its loyalty card. Moving forward, Mr. Bruzzo said the company will be looking for ways that consumers can connect with each other from inside the apps.

In the meantime, Starbucks is testing functionality that allows loyalty-card holders to pay with their phones.

Starbucks' agencies are BBDO, PHD and Blast Radius.

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## **Starbucks tweeter in chief**

Unlike many marketers, Starbucks doesn't run its Twitter feed out of its PR department. The chain's voice on Twitter is Brad Nelson, 28, a former barista who rose through its IT ranks.

When the company was looking for ideas to re-engage with its core customer in 2008, Mr. Nelson suggested that he begin a Twitter handle for the brand, and it now has 775,000 followers. The brand relies

on the 28-year old to translate the Starbucks experience for the online community, search out confused or disgruntled consumers, chat about store offerings and even crack jokes.

Chris Bruzzo, VP-brand, content and online, said that Starbucks was beginning to institute its turnaround plan in early 2008 when Mr. Nelson announced he was ready for something new and wanted to get involved in the chain's online efforts.

"I sent him away and said 'Fine, sure,'" Mr. Bruzzo said. But about two weeks later, Mr. Nelson gave him a presentation about Twitter and the opportunity to communicate directly with consumers as questions arise. Mr. Nelson sweetened his pitch by adding, "It's a lot like being a barista on the internet." Mr. Bruzzo recalls greenlighting the project, and after a period of working with Mr. Nelson, let him loose on Twitter.

Mr. Bruzzo gives credit to Mr. Nelson and his "willingness to take smart risks," but shares some of the kudos for Starbucks. "I guess you have to have a brand like this and an environment that's open to innovation and someone like Brad with the passion and personality."

Now Starbucks is finding more ways to use Mr. Nelson. He took a week-long cross-country drive last fall with comedienne Erin Foley and an Edelman entourage to help launch Via. The group made stops for a web series along the way, passing out product samples.