



DIVE BRIEF

Starbucks Happy Hour drives 11% increase in traffic

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[Starbucks](#)

Dive Brief:

- Starbucks saw an 11% increase in foot traffic during its Happy Hour period of 2 p.m. to 7 p.m. on Thursdays, which launched on Oct. 10, 2019, according to a new report from inMarket emailed to Restaurant Dive. The revamped promotion offered buy-one-get-one free for any grande or larger handcrafted beverage.
- The most popular period of Happy Hour was the 6 p.m. block, when traffic jumped 15.6% over the pre-Happy Hour average. The study compared traffic during the four-week period before the Oct. 10 promotion ran and the four-week period it was in place.
- During non-Happy Hour times, traffic at Starbucks was mostly flat, with an increase of 0.24% throughout the test period.

Dive Insight:

Starbucks' Happy Hour promotion was successful in driving more traffic during the afternoon daypart, a traditionally sluggish time for the coffee retailer. Although the chain has been bullish on

encouraging app downloads and loyalty program membership, it's still paying ample attention to attracting consumers who may not be digitally inclined. In November 2018, Starbucks' renewed focus on the afternoon daypart through its Happy Hour program helped it break through a sales slump while attracting 15.3 million new active users through its Starbucks Rewards program. This momentum continued into the most recent happy hour promotion in October 2019.

"Our reimagined Happy Hour resonated well with customers driving additional member growth," Starbucks CEO Kevin Johnson said during a call with investors on Wednesday.

There's the social aspect of Starbucks' Happy Hour offering as well. Providing two drinks for the price of one and perhaps encourages more individuals who never visit Starbucks to go with someone else to take advantage of the deal. This creates an opportunity to build loyalty with a new demographic of consumers.

The growth of its loyalty program, which has led to a better understanding of customer needs, has helped inform the chain of how best to offer Happy Hour, Roz Brewer, Starbucks Chief Operating Officer and Group President, Americas, said during the Wednesday earnings call.

The Happy Hour window also targets the infamous afternoon slump, a scientifically proven time when most people feel sluggish, tired, unfocused, and unmotivated, which starts around 2 p.m. for most individuals. The Happy Hour's peak traffic time of 6 p.m. is also a period when many individuals are commuting or gearing up to take children to after school activities, attend meetings, or handle errands.

The buy-one-get-one-free incentive also brings customers into stores at periods where Starbucks' expanded menu of grab-and-go snacks and meals, which it has been working to bolster to improve

late-in-the-day sales. This could spark impulse purchase behavior in diners that need a quick dinner to accompany their beverage.