**QUESTION 1**

The features of the Starbucks app that are most import to consumers is ease of use, consistency across stores, and access to rewards and exclusive offerings. These attributes promote a strong user experience for the consumer which brings them back day after day. Throughout the app development lifecycle Starbucks produced a product that fostered a community of loyal users that through the rewards process. There are explicit attributes that are valuable to Starbucks that will be discussed later in the post; but the features that are important to consumers are also in-line with Starbucks digital goals.

Ease of use is an important feature in most digital applications. Users do not want to spend more time than necessary to figure out how an application works. They should be able to perform their intended action in as little steps as possible to decrease user frustration and improve conversion rate. This is especially true in the retail space where the goal is for a consumer to purchase a product. Usually, a consumer already knows that they want to make a purchase when they open the Starbucks app. If the application is confusing, hard to use, or superfluous, a negative user experience could drive the consumer away from making the purchase. It is mutually beneficial for both consumer and Starbucks to use/produce an application that is easy to use.

Consistency across stores is a feature that is highlighted in the article. Starbucks uses consistency to their advantage because consumers “know what they are going to get” from store to store. Starbuck’s smaller competitors typically have a smaller retail store footprint making it harder to offer the same worldwide experience. Starbuck’s extended consistency across stores in their app where the process to order a menu item is the same in Pennsylvania as it is in Australia. The consistency in digital experience is important to consumers in much the same way as consistency in beverage or food items. That is, consumers “know what they are going to get” when they open the Starbucks app.

Another feature that is important to Starbucks consumers is access to rewards and other exclusive offerings. Starbucks offers rewards to keep consumers returning to the app and the Starbucks brand. Customers expect these rewards in exchange for their loyalty. The rewards challenges offered in the article drove consumers to continually return to a Starbucks so they could eventually claim their reward. It was important for consumers to get a monetary benefit from using the app.

As mentioned previously there are a few features of the app that are important to Starbucks including driving customer loyalty and maintaining high profitability in transactions. These features benefit the Starbucks P&L in the near and long term.

It was an important feature for the app to drive customer loyalty towards Starbucks. The app should not just be a place for consumers to place an order, it should give consumers a reason to keep returning to Starbucks. This is important to Starbucks because the company cannot just rely on short term customers to grow the brand. To establish long term growth their customers must keep coming back time and again and eventually become advocates for the brand.

The company found another financial reason to bring consumers to the app by reducing credit card fees. The application allowed users to reload money in their account at larger increments thus reducing the amount Starbucks had to pay in credit card fees. Starbucks gave the consumer a reason to use this payment method by upping the rewards and other benefits. This provided a unique feature that was important for Starbucks because it directly impact the company’s bottom line.

**QUESTION 2**

A reward and a discount have similar connotations in that they both offer an incentive for the consumer; however, the application of each is different depending on the intended marketing goal.

Rewards are a benefit applied to a consumer’s account in exchange for the consumer’s purchases, account reloads (as in the Starbucks app), and other actions loyal to the brand. They are important because they give a reason for consumers to keep coming back. Rewards drive brand loyalty and help maintain long-term customers that are important to drive long-term company growth.

Discounts provide consumers short term monetary benefit. For instance, brands may offer a coupon or a time-limited reduction in price to entice a prospective customer to try a product. The discounts can be sent in many ways including SMS communication or email marketing. Discounts are different than rewards but are equally as important because they bring new customers to the brand. The discounts decrease the monetary impact for the customer and make it more likely for them to convert.

**QUESTION 3**

There were several marketing tactics that were mentioned in the article that were important to the Starbucks brand. These are listed below under the associated tactic along with a description on how the marketing activity was applied.

**Awareness**

Starbucks created marketing campaigns that were unique and established witty thought leadership. For example, consumers could take a photo of a Starbucks billboards with their personal device and send them in for a chance to receive a Starbucks gift card. This campaign used a static media medium (i.e., the billboard) and digitized it through tweets and other social media communication. This helped to raise brand awareness through social media.

**Engagement**

Starbucks took customer engagement to heart with the advent of the My Starbucks Idea website. The website put the future of the company in the hands of its consumers by allowing them to submit and vote on ideas for Starbucks. It helped the company to understand their consumers’ biggest wants and needs so they could improve.

**Acquisition**

Acquisition requires a marketing tactic to entice new customers. An example of Starbuck’s doing this is through their Merry Mondays campaign that ran through the holiday season. In the campaign new My Starbucks Rewards members were offered a free bakery item when they paid through the app. This incentivized new customers to use the My Starbucks Rewards app that would increase customer acquisition.

**Retention**

Retention involves retaining existing customers. Starbucks accomplished this through their Mobile Order & Pay directly through the My Starbucks Rewards app. Typically the consumer would be money into their app that was greater than the amount of a single purchase. This provided a monetary reason for customers to keep returning to Starbucks as their balance would go unused if they did not. Further features such as automatically reloading the account improved customer retention even more.

**Advocacy**

Advocacy involves create a culture or product that means so much to consumers that they will advocate for the brand and draw in their friends, family, colleagues, etc. A unique way Starbucks did this was creating a positive work culture for their employees. They gave their employees expanded benefits that were unheard of for employees that only worked 20 hours per week. This painted the brand in a good light for consumers and employees thus increasing Starbuck’s number of advocates.