

Information Technology in Business and Society

- IT Disruption: IT Adoption

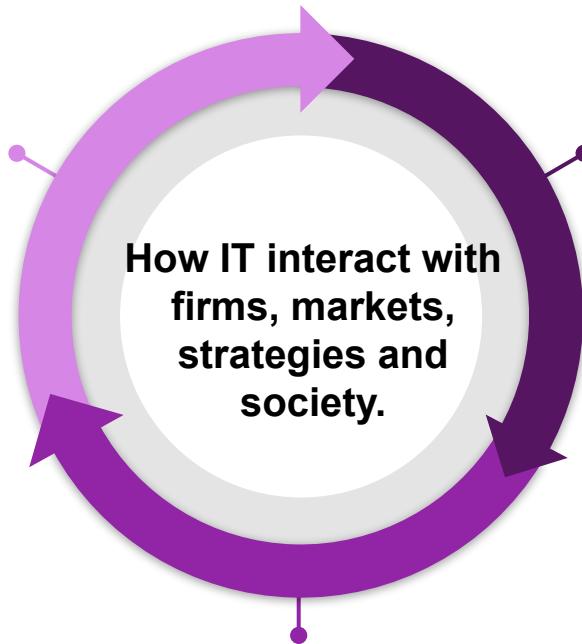
Pearl Yu



Information Technology

Module II: IT Disruption

- Emerging techs.
- How does IT changes the business and social world?



Introduction: Value of IT

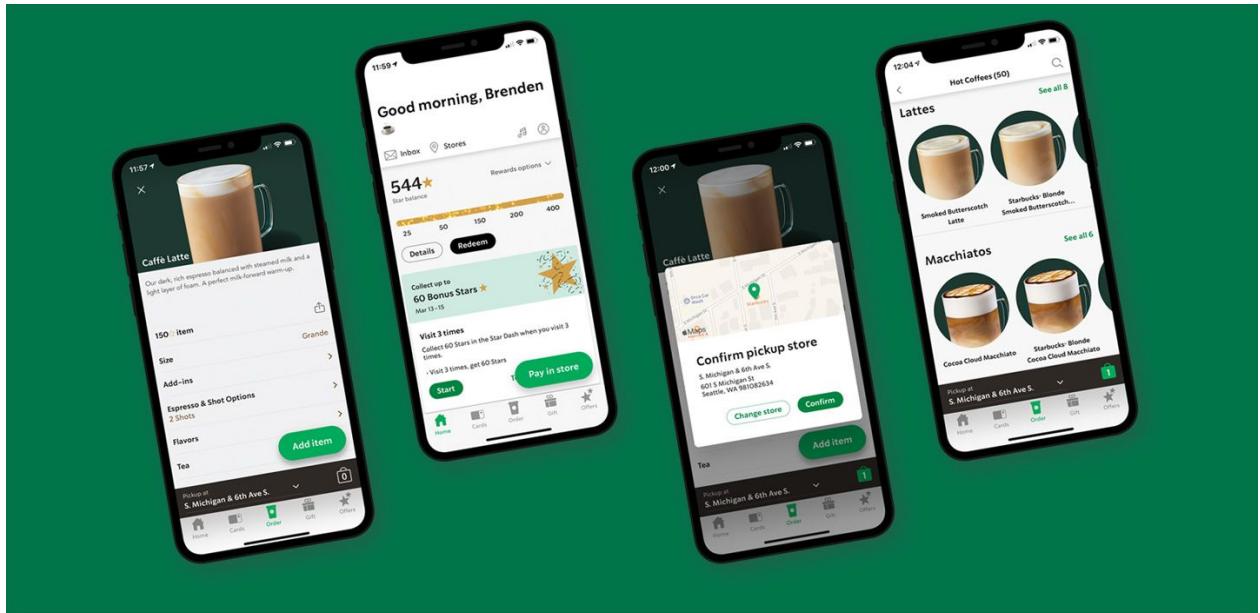
- Conceptualizing IT's roles in organizations.

Module I: IT Management

- How to properly developing and managing IT projects or vendors?



A mobile app that people use for payment. (But not a payment app)



High adoption rate!

PROXIMITY MOBILE PAYMENTS (2019, mm)



From industry incumbent to IT disruptor

- Starbucks' strategies
 - What are the key success factors of Starbucks?
 - On-premise shopping + quality products
 - Growth strategy: focus on aggressive buyout of competitors' locations
 - Clustering stores in selected areas, even intentionally operating at a loss



Starbucks



Starbucks

- Key to success
 - Changing people's **mental model** about coffee
 - Mental model: representation of a domain or situation that supports understanding, reasoning and prediction.



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IT innovation for sustained competitive advantage

- Innovation of products, IT, e-commerce, and business models





TECH

Once Again, Starbucks Shows Google And Apple How To Do Mobile Payment

Robert Hof Former Contributor *I cover the collision of advertising and the Internet.*[Follow](#)

Jan 22, 2015, 06:00pm EST

This article is more than 7 years old.

- [Apple Pay gets all the headlines when it comes to mobile payment, but another company probably deserves them instead: Starbucks .](#)



The giant chain of coffee joints claims up to 90% of the \$1.6 billion spent in U.S. stores using a smartphone in 2013, and 2014 probably wasn't much different despite the introduction of Apple Pay in October. In its holiday quarter reported today, Starbucks said momentum continued to build for its mobile app, which allows customers to pay for a Frappuccino with a wave of their smartphone at the checkout counter.

In its first fiscal quarter of 2015 ended Dec. 28, the company said it had more than 13 million mobile users in the U.S., up from 12 million reported in October. They made some 7 million mobile transactions a week, constituting 16% of transactions.



Starbucks' success in mobile payment

- “No single competency is enabling us to elevate the Starbucks brand more than our global leadership in **mobile, digital**, and loyalty.”
- “Starbucks is a clear leader in mobile payments and we are encouraged by how consumers have embraced **mobile apps** as a way to pay.” - Howard Schultz
- Starbucks Mobile App – Why so successful?

COLLECT STARS AND EARN REWARDS

Good morning, Casey ☀️

175 ★
Star balance

Rewards options ▾

Scan & pay Scan only

Scan to earn Stars Earns 1¢ per \$1

Make default

Scan in store

Your day awaits

Grab Kale & Portobella Mushroom Flat White or Gruyère Sous Vide Egg Bites anytime.

Scan in store

Home Scan Order Gift Offers

PAY IN STORE

Casey M.

Scan & pay Scan only

Scan to earn Stars Earns 1¢ per \$1

Make default

Scan in store

Home Scan Order Gift Offers

ORDER AHEAD

Order

Menu Featured Previous Favorites

Featured Drinks See all 9

Honey Almondmilk Flat White

Pistachio Latte

Featured Food See all 9

Pickup at Fairmont Winnipeg

Home Scan Order Gift Offers

CUSTOMIZE YOUR ORDER

Caffè Latte 190 calories

Size options

Short 8 fl oz Tall 12 fl oz Grande 16 fl oz Venti 20 fl oz

What's included

Milk, Tiramisu

Pickup at Fairmont Winnipeg

Add to order

Home Scan Order Gift Offers

Mobile App's Key Success Factors

CONSUMER TECH

Why Is The Starbucks Mobile Payments App So Successful?

Existing successful loyalty program +

Existing success gift card program +

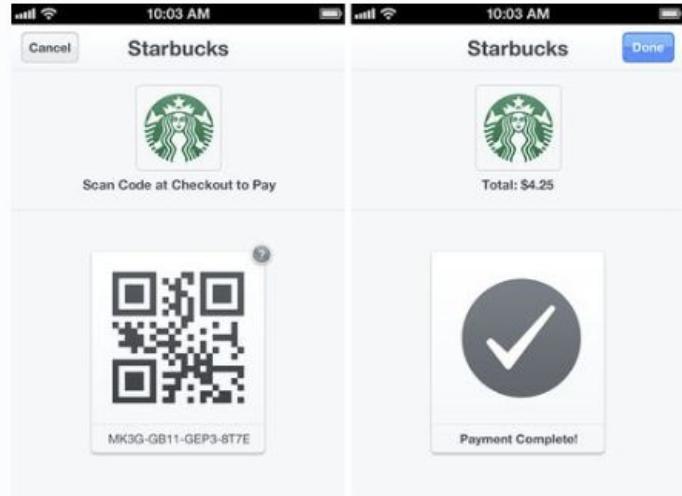
Simple 2D barcode on consumer device +

Sophisticated 2D barcode scanner on POS +

Perfect cloud merchant integration +

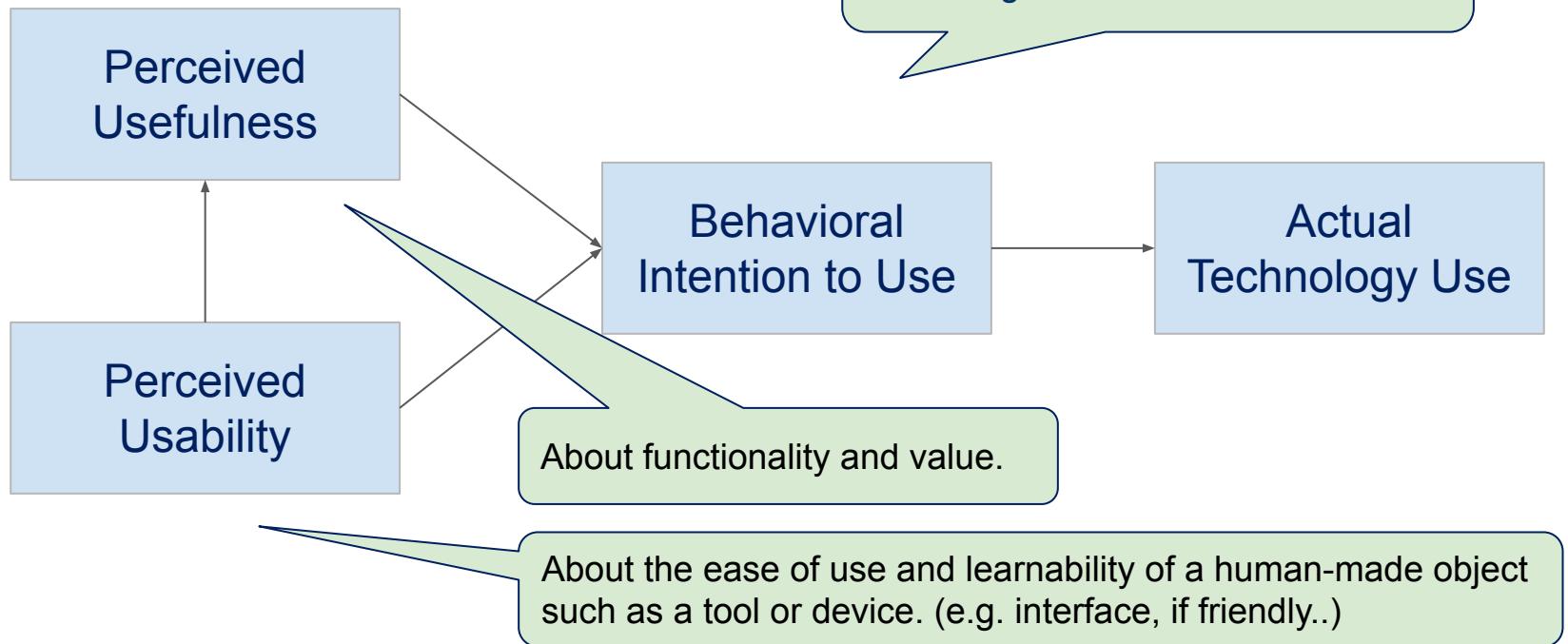
Simple to use consumer app

- Mobile Payments Convenience
- Automatic Loyalty Rewards



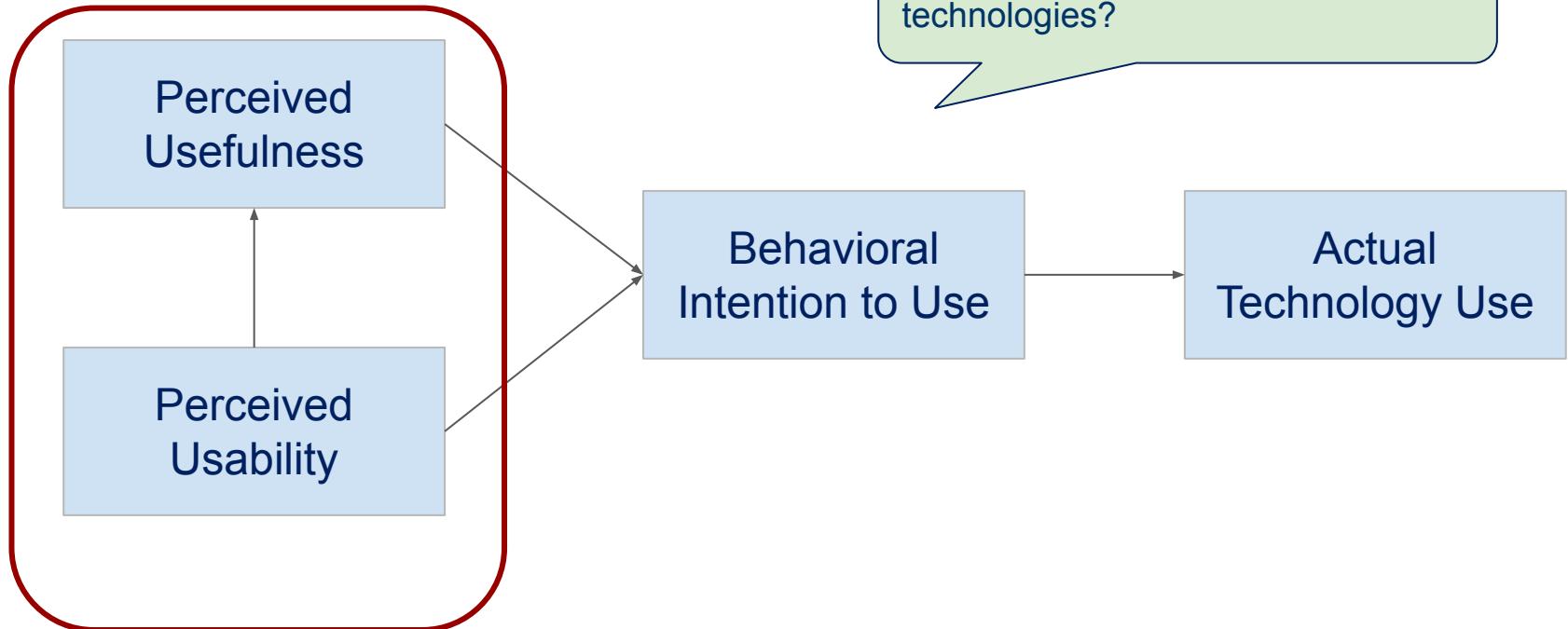
Technology Acceptance Model (TAM)

- **Drivers of adoption**

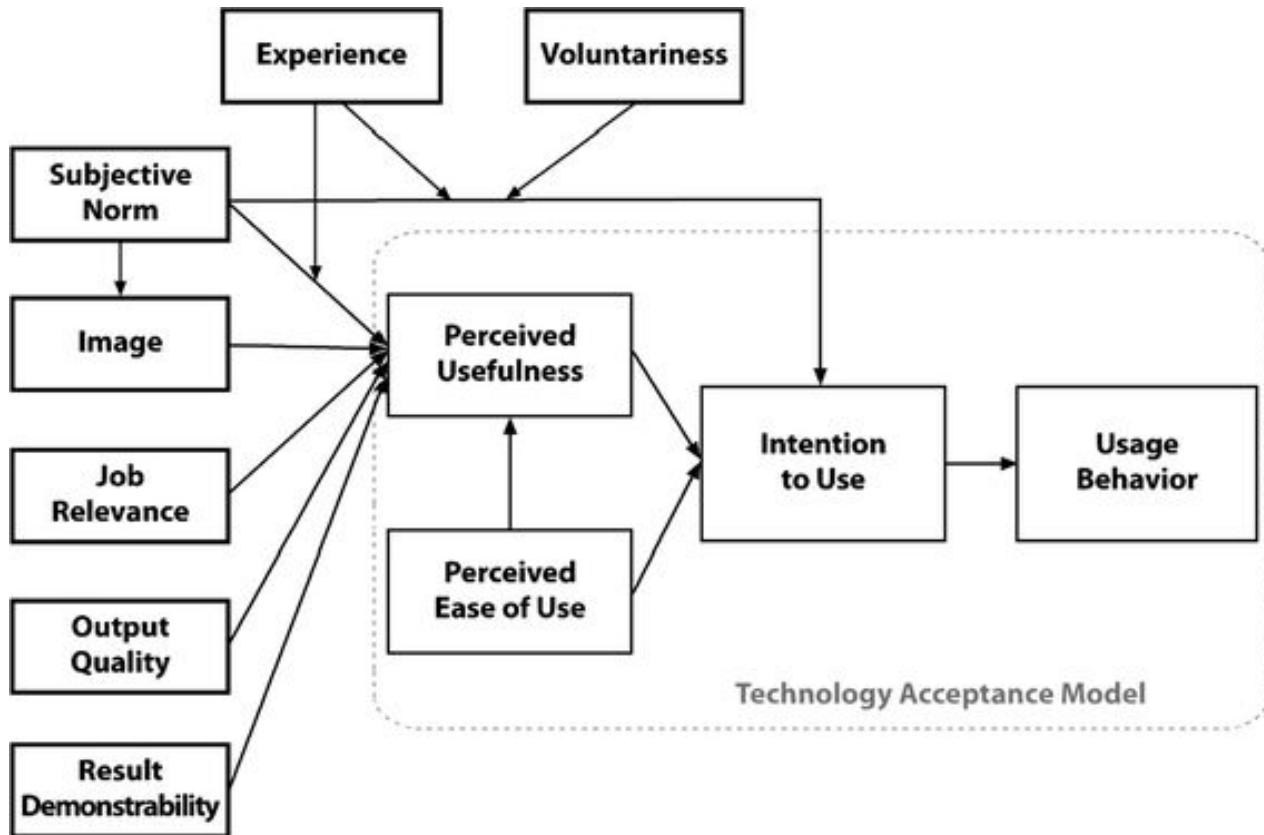


Technology Acceptance Model (TAM)

- **Drivers of adoption**



Technology Acceptance Model (TAM)

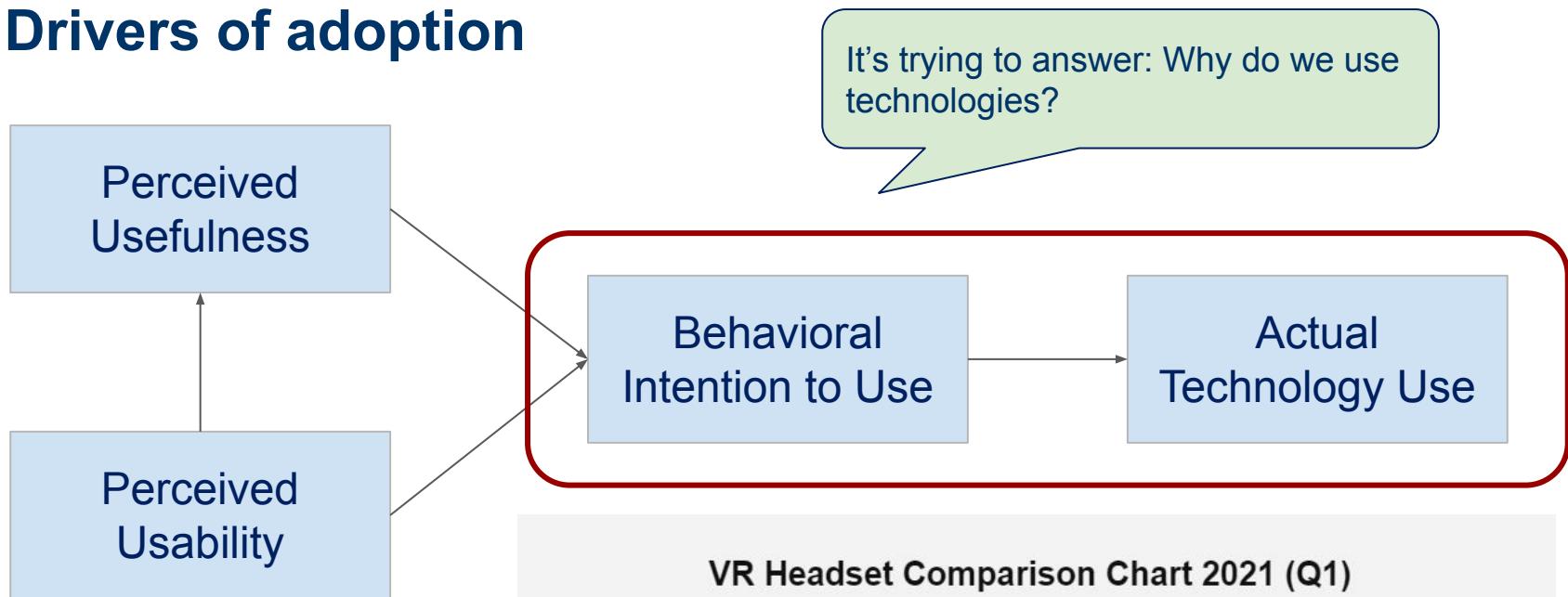


Technology Acceptance Model (TAM)

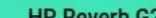
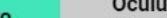


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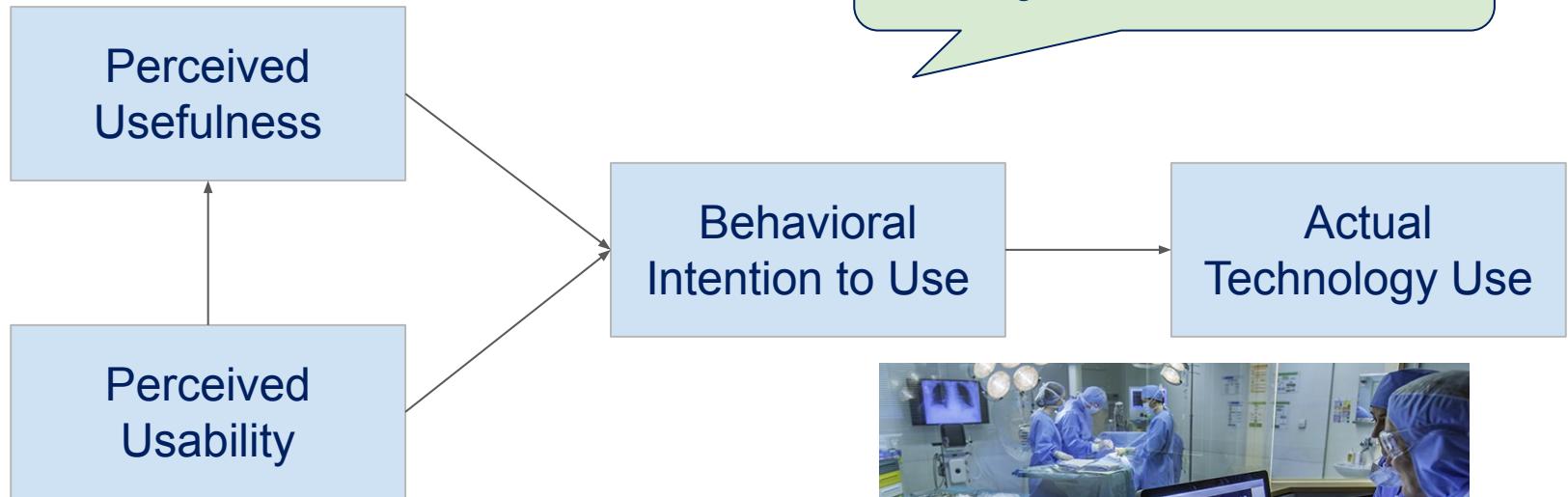


VR Headset Comparison Chart 2021 (Q1)

Oculus Quest 2	HP Reverb G2	Valve Index	HTC Vive Pro	Oculus Rift S (Phasing out)
				

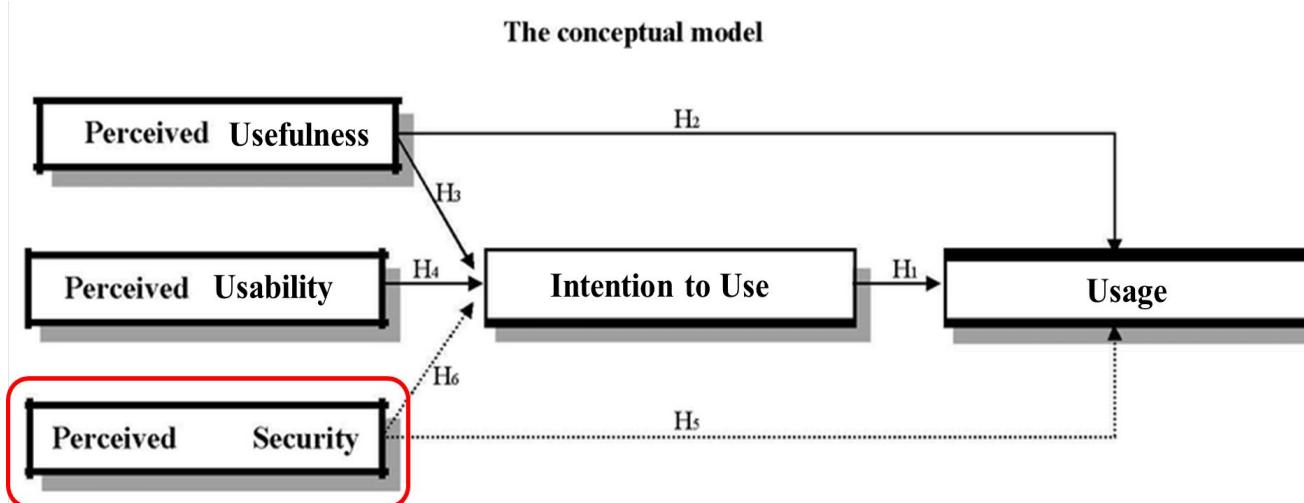
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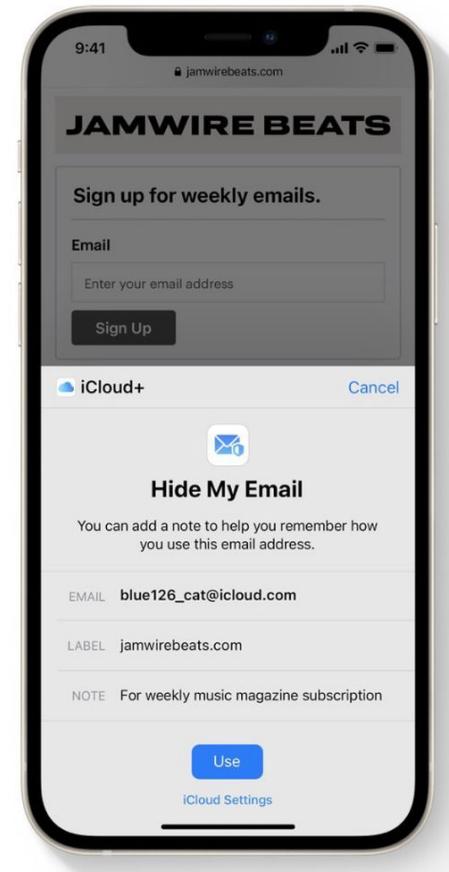


Technology Acceptance Model (TAM)

- Other versions



Fintech & E-Commerce



Square Inc

- Square, Inc. is a financial services merchant services aggregator and mobile payments company
- Square is regarded as an especially useful app for entrepreneurs
- Backed by investors such as Sequoia Capital, Kleiner Perkins Caufield & Byers, Citi Ventures, Starbucks, etc.



Starbucks: Digital Strategies

- How can Starbucks leverage its IT to drive its future growth?

Starbucks licenses its ‘gold standard’ tech to give global franchisees access to its mobile app

PUBLISHED MON, JUL 22 2019 4:05 PM EDT | UPDATED MON, JUL 22 2019 6:17 PM EDT

Starbucks: Digital Strategies

- How can Starbucks leverage its IT to drive its future growth?

Starbucks Isn't a Coffee Business — It's a Data Tech Company

They are a textbook example of how to strategically use data to stay competitive



Photo: SOPA Images/Getty Images

- Targeting customers with personalized promotions and offers
- Insight-driven product development, including across channels
- Sophisticated real estate planning
- Dynamic menu creation and adjustments
- Optimized machine maintenance

Starbucks: Digital Strategies

- How can Starbucks leverage its IT to drive its future growth?

Starbucks: We're creating the digital Third Place

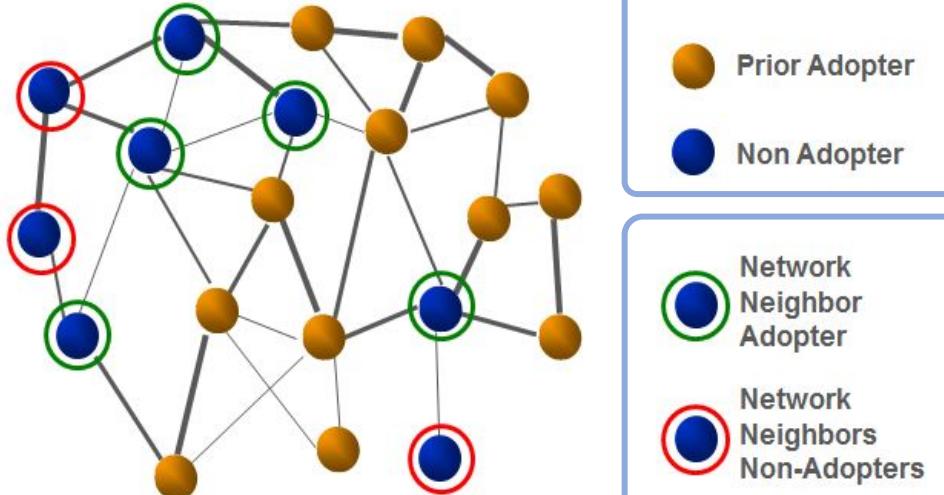
May 03, 2022 · 3 min read

SHARE f t in e

We plan to create a series of branded NFT collections, the ownership of which initiates community membership, and allows for access to exclusive experiences and perks. The themes of these collections will be born of Starbucks artistic expressions, both heritage and newly created, as well as through world-class collaborations with other innovators and like-minded brands.

Starbucks: Digital Strategies

- Peer influence – Technology adoption in a social network



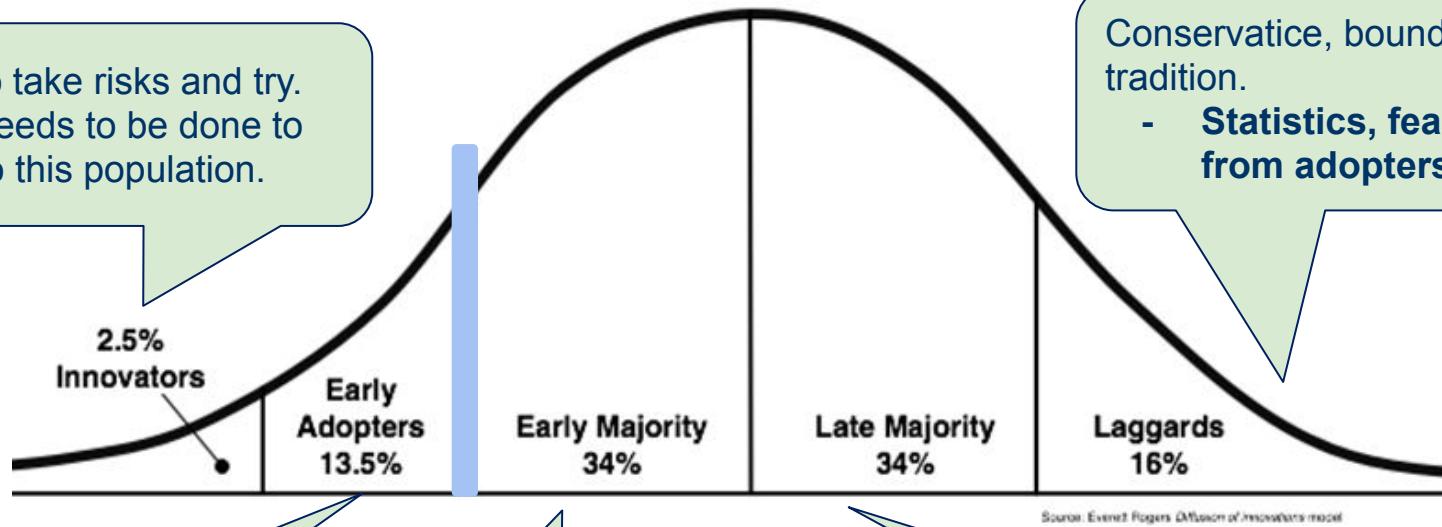
Diffusion of Innovations

- DIfferent strategies for different adopter groups.



Diffusion of Innovations

Willing to take risks and try.
- Little needs to be done to appeal to this population.



Conservative, bound by tradition.

- Statistics, fear, pressure from adopters.

Opinion leaders.
Comfortable with new ideas.
- how-to manuals and information sheets

Adopt before average person.
They need to see it works.
- Evidence, success stories.

Skeptical of change. Adopt after it's been tried by the majority
- How others have tried it.

ROASTERIES



SEATTLE



SHANGHAI



MILANO



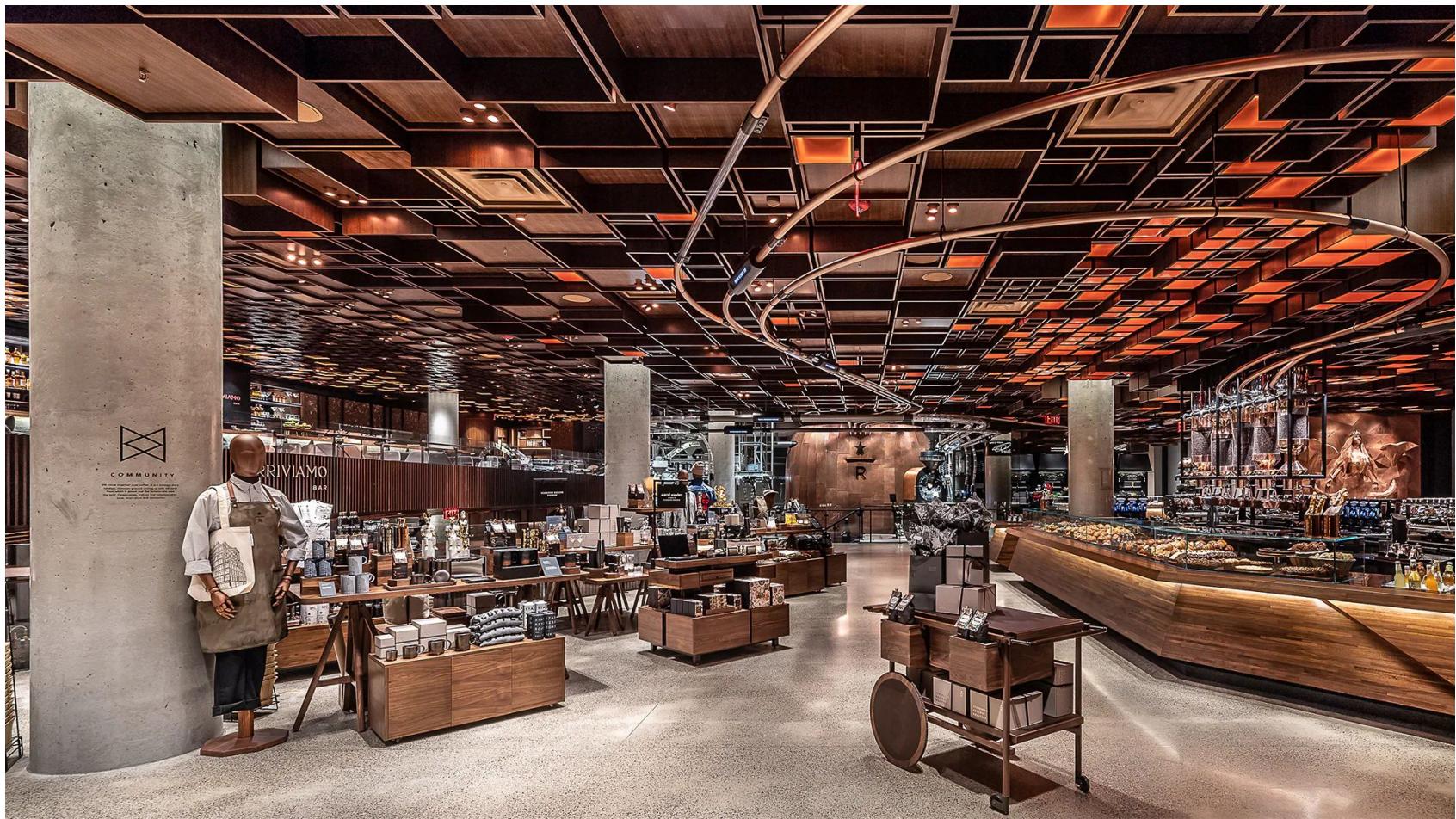
NEW YORK



TOKYO



CHICAGO







APPLE | GOOGLE



ROASTERIES



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SHANGHAI



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NEW YORK



TOKYO



CHICAGO

Starbucks: Venues for experimentation



Key Takeaways

- Technology Acceptance Model to help with product design and launch. Perception is important!
- Diffusion of innovations: Five adopter categories. Understand the characteristics of each group and strategies used to appeal to each group.
- Testing ground of innovations.