

The Situation

Starbucks wants to extend its Web service offerings to their mobile users to improve loyalty and to reduce the morning and afternoon commute crush on store employees. They also hope to increase the sale of their food, music and collectible inventory. To do so, they must tie their existing loyalty program to their payment processing system and individual store inventories. For transactional simplicity, they want to tie all mobile transactions to their existing Starbucks debit card.

The Mobile Meta Data Solution – Adding Context

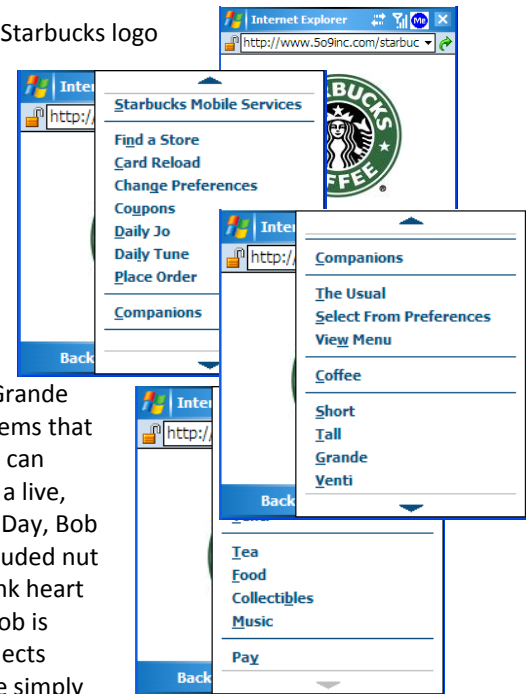
Every time a mobile user comes to the Starbucks site, or clicks on the Starbucks logo

that appears in their browser menu, they are presented the mobile Web service page that has been customized for them, because the site received their Starbuck Card number from the mobile device.

On GPS-enabled devices, the user can automatically find the closest store to their location and get a map or driving directions. For commuters in a rush, they can place their order, have it sent to the nearest location (or selected location) and have their Starbucks' card automatically debited. They can indicate whether they will pick-up at the drive thru or inside counter. Because the Starbucks' Web service center knows it's Bob Smith, he can already set up his preferences to make the ordering process even easier (the usual – a Grande Caramel Macchiato with whip, or set up a list of frequently ordered items that can be quickly selected).

If he wants something different that day, he can scroll through the menu until he finds what he wants. Because this is a live, two-way conversation, and it is the morning commute on Valentine's Day, Bob can be offered a plain croissant instead of banana nut bread (he's included nut allergies in his profile) and the latest Starbuck's Love Songs CD and pink heart travel mug just in case... Because this store is overstocked on mugs, Bob is offered a 25% discount. After accepting or ignoring the offers, Bob selects "pay" and the funds are released from his Starbucks Card account. He simply

drives up or walks in to get his coffee, which is piping hot, because the Web service knew how far away he was when he placed his order. If he does not have enough funds left in his debit account, he can select reload and \$25 to his card. During quieter hours of the day, the menus are adjusted to allow for mobile coupon delivery and in-store payment options.



Benefits of 509™ Mobile SaaS Meta Data and Using Web Standards

All of these transactions are based upon the ability to offer personalized services that tie on-device, user profile, local inventory levels and payment information back the Starbucks Card number. User, device, location data and time all trigger different options from the Starbucks Web services applications, to deliver a highly personalized experience and Web service transaction to meet the needs of both the customer and individual retail locations. The ability to extend the loyalty program into an e-commerce service is made possible by access to mobile meta data and the flexibility of SaaS powered by 509 - transforming the browser into a mobile Web service interface.

Benefits to Starbucks

- Higher customer satisfaction & Increased loyalty
- More efficient use of retail outlets and personnel
- CAPEX/OPEX Efficiencies
 - Coordinated inventory and marketing programs at the store level
 - Balances workload during peak and lull periods
 - Increases relevancy of add-on sale recommendations
 - Increases use of Starbucks card, should purchase history/behavioral modeling be desired
 - Decreases mobile application development expense and support