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**OBJECTIVE:**

Vertigo's goal is to increase Starbucks brand loyalty in the United States amongst current Starbucks customers. To increase brand loyalty, we will be creating a campaign that promotes the use of the My Starbucks Rewards  Application on all possible platforms (Google Play, Apple App Store etc). Our promotion's objective is to inform as many Starbucks consumers as possible to the Starbucks Application benefit of skipping the line. Out of 75 million consumers only 15 million use the application and we want to push our campaign onto those existing marketing. The message we will incorporate in the majority of promotions to communicate the benefit is "Jump Ahead."

**COMPANY FAQS:**

We make a SWOT analysis to define the current position of Starbucks in different views. First thing is about the strengths of Starbucks which are mature branding, gift card and loyalty system, high quality of coffee, efficiency and effectiveness in supply chain and patents & technology. Since it is very world famous and strong brand, what we need to achieve is keeping customer loyal. For weaknesses part, they have generally unhealthy product, strong dependence on suppliers, and one of the most important part is about higher price compared with rivals. It will not only affect the number of customers, but also might loss of sales due to this weak point. About opportunities, expand supplier network, launching new products and co-branding, increases of society's health concern would be some good ways to do. Starbucks also have something need to improve like online ordering expansion which is our core promotion. Lastly, various threats will affect our company, loss of sales due to substitute products, self cannibalism, so many stores close together in some place and increased competition in app market. Moreover, food and restaurants entering into coffee business, customers have more options to choose. Eventually the loyalty of customers of Starbucks will be affected.

**CURRENT CUSTOMERS :**

Starbucks consumers are men and women who are health conscious and environmentally friendly. We set the target market between eighteen and sixty years old. Starbucks commitment to protecting the planet and growing 100% sustainable coffee to reduce their footprint has approved the appeal to our target audience. Many of our customers are students, young adults and white collar professionals who read and stay up on trends and heath.The students and young adults may not have high income but we are targeting the ones who want to treat themselves with their favorite coffee, and occasionally a snack or dessert to go with it.

**STARBUCKS IN THE MARKET:**

**ECONOMY:**

The current status of the United States economy is considered to be healthy as a whole. This is great news for Starbucks. As a higher expense coffee shop, Starbucks usually dissuades the frugal and price sensitive consumer bases; however, because the market is in a healthy state, many more consumers are willing to come out and spend a bit more for a quality coffee.

**POLITICS:**

Starbucks has been the center of controversy on both sides of the political spectrum. As an openly left leaning company, Starbucks has been under fire numerous times from right winged society. Recently, they were boycotted for their goal of hiring 10,000 refugees within the next five years. Starbucks has also been criticized by left wing & right wing society for their racial profiling scandal back in early 2018.

By increasing brand loyalty through Starbucks App usage and downloads, we are hoping to negate or reduce the amount political fiasco that tends to surround the company and get consumers on the side of Starbucks Coffee.

**TECHNOLOGY:**

Starbucks utilizes what we call a "digital flywheel." This concept of the digital flywheel suggests that all parts of technology that Starbucks integrates into the company should hold some benefit for both consumer and company alike. In regards to the Starbucks App, the application allows personalisation and rewards on the part of the consumer, and also email lists and consumer data for Starbucks.

**BENEFICIAL PARTNERSHIPS:**

Starbucks has created and maintained many partnerships but we will focus on the three: Spotify, Target and our sustainable coffee growers. Spotify and Starbucks established a relationship in 2015, and they currently link seven thousand stores and fifteen million Starbucks Rewards members with a first of its kind music ecosystem. Customers have the ability to favorite and add music they listen to in-stores, along with influence future playlist curations through songs 'liked'. This is a great way to connect and engage with millennials on the application. Targets partnership with Starbucks is great for our media campaign because they both have a demographic of someone who is looking for a bit more premium quality and experience and that is what we are promoting with the application.

**APP COMPETITION:**

Starbucks is not the only company in this industry that has an app. Just like Starbucks, their big competitors Dunkin Donuts and McDonalds have an app as well. All three of the companies allow mobile pick up ordering. Similar to Starbucks, Dunkin Donuts has a DD card that you can earn points to get rewards. On the Dunkin app, you earn a free beverage when you sign up, on your birthday, and every 200 points. Every $1 spent is 5 points. Dunkin also features a skip the wait if you order on the mobile app. You are also able to send a gift card through the Dunkin app. All three applications allow you to store favorites. If you sign up on the Mcdonald's app there are weekly and daily deals. You are able to either add a deal to the mobile order or scan the deal in stores.

**STP:**

**SEGMENTING:**

According to a recent interview in March of 2018, Starbucks CFO and VP, Scott Maw stated that "75 million people walk in and out of Starbucks, yet less than 25%, 15 million of those people are loyalty members." To gain those 60 million other customers, we want to segment the market into 4 different groups. Two groups of behavior and two groups user status, but solely in the United

States. The first group is our heavy users which consist of coffee lovers and tea addicts. The second behavior group is frequent shoppers. This is our biggest segment because it is all those people that walk into a Starbucks yet are not loyalty members. Users status consists of sole users and semisole users. Sole users are those whose first and only choice is Starbucks. Seminole users are those consumers whose first choice is Starbucks but if Starbucks is closed or there happens to be no Starbucks around, they will typically choose a local coffeehouse.

**TARGETING:**

We want to target Millennials ages 18 to 35. This generation consists of students and the young working class whom are also part of young families. We especially want to target Starbucks current customers whom are active, health conscious, and environmentally friendly. We are targeting these active consumers because those who will use the app are more likely to take their order to go. Our main target are the thousands of customers that walk into Starbucks everyday but are not part of the Starbucks' Loyalty rewards membership. Lastly, we want to convert the welcoming level loyalty customers into Starbucks Gold level members.

**POSITIONING:**

We are positioning the loyalty program as being easy to use. With the tap of a finger, you'll order will be ready in minutes to pick up. Because of the many levels, we are positioning the program to be rewarding and cheap which can inspire consumers to buy more. Lastly it will be community driven, once a consumer sees another customer walk in and immediately get their order, those waiting in line will be more willingly to use the app next time.

**THE APP:**

On the Starbucks app, you are able to mobile order, keep track of favorites, and earn rewards. By using the Starbucks app, you are able to skip the line as soon as you arrive. The app can be found free in the Apple App store as well as the Google Play Store.

**PROMOTIONS:**

We have various methods to promote our product, like Guerrilla Marketing, Outdoor advertisements. Setting the download QR code on buildings & Starbucks locations, if customers scan this code to download the Starbucks app, they will not only get some coupons like 50% off in one order, but also Starbucks will give a tall size drink to them for free. Furthermore, we will do some basic outdoor advertisements such as, billboards, posters, flyers, bus stops, etc.

Some more methods of promotion are through social media. We will be displaying video ads as well slideshow ads on Facebook. We will display sponsored ads on Instagram. We will also be using advertisements on youtube. We will also be implementing ads on music streaming services such as Soundcloud, Spotify, and Pandora. Starbucks already has an existing partnership with Spotify.

**SCHEDULE AND COSTS:**

| Media channel | Dates | Costs |
|---|---|---|
| **Music Streaming Services** | | |
| Pandora | January - March | $8-$12 - 7 ads an hour |
| Spotify | January - December | $250 gets about 10,000 ads |
| Soundcloud | August - December | Budget of $200 gets 10,000 ads |

| Media channel | Dates | Costs |
|---|---|---|
| **Guerrilla Marketing** | | |
| QR Codes | January - December | $9,600 a year |
| **Social Media** | | |
| Facebook | December - March | $58 per 100 views |
| Youtube | April - July | $2,000 to reach 10,000 views |
| Instagram | August - November | $0.20 - $2 per click reaches 1,000 views |

| Outdoor | | |
|---|---|---|
| Billboards | December - March | $2,000/Month |
| Public Transportation | August - May | $400/Month |

**CAMPAIGN MEASURE:**

To measure the success and reach of the marketing campaign, Vertigo will track the monthly active users on the Starbucks Rewards app before and after each quarter. This will inform us if consumers are "setting and forgetting" the application or if the product offers and rewards system is being utilized. We will measure the retention rate to see if the application has been deleted or inactive during our campaign. To analyze the reach of the campaign we will track the duration of the application sessions between new and current users. And lastly, we will use a universal system between stores to monitor the traffic at pick up stations in the central Tucson Starbucks location

**CONCLUSION:**

Our campaign's big idea is "Jump Ahead." We have all experienced morning rushes of people trying to get their morning caffeine before their day and the line can get extremely long, especially if you are in a rush. If you do not have a lot of time you can just "Jump Ahead" with the Starbucks app. No more waiting to get coffee.