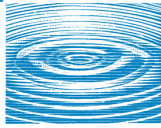


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Insights from Client Best-Practice Strategies and Results



Starbucks

Reinvents the Customer Experience in the Drive-Thru

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Reinvents the Customer Experience in the Drive-Thru

Starbucks has clearly emerged as an innovator in the drive-thru space, lauded for new mobile payment and ordering systems, as well as bringing its distinctive in-store experience to the drive thru. For a company that has been praised virtually since its inception, this may come as no surprise, but five years ago, Starbucks' drive-thrus were nothing special by their own admission. Not even on a par with other drive thru concepts. The story of their rise to industry leadership includes adopting a new way of looking at their business through individual customer zones, several "aha" moments and a commitment to developing solutions based on customer needs and behaviors.

Early on, Starbucks' customers told them they wanted a drive-thru option. Not only that, Starbucks stores with drive-thrus did on average, 50% more in sales than stores without a drive thru. But several years ago, their drive-thrus were not as optimized as Starbucks wanted them to be. Certainly they were not world-class. The vision was to find ways to think differently about the drive-thru to deliver a superior customer experience. What could be done to speed throughput, increase transactions, provide better service, and grow ticket? What could be done to make the Starbucks' drive-thru experience dazzle their customers? Where to start?

Customer Operating Zones

Starbucks asked King-Casey to evaluate their drive-thru's and make recommendations for improvements. COZI® honed in on the solutions. The acronym stands for Customer Operating Zone Improvement and it is a methodology pioneered by King-Casey. "The most successful brands recognize that their restaurants are not just branded boxes," says Howland Blackiston, a King-Casey principal. "Each store is actually a collection of many individual 'customer operating zones,' and customers behave differently in each one. Their needs and expectations are different. Their attitudes and mindsets are different. Each of these unique zones is right for one merchandising strategy and dead wrong for another."

COZI® is applicable both inside a restaurant and at the drive-thru. Restaurant operators need to "identify

each of the drive-thru zones -- such as approach, entry, pre-order, order, pickup & pay, and exit zone. They need to understand how customers behave in each zone, what their needs are, and establish specific business goals for each zone," Blackiston says. "Starbucks crafted zone-specific communication strategies and designs that were responsive to how customers use these zones. That not only makes their customer experience faster, easier and more enjoyable,

"Starbucks crafted zone-specific communication strategies and designs that were responsive to how customers use these zones...maximizing business results."



Each and every customer zone in the drive-thru has been improved, refined and re-invented to provide a world-class drive-thru experience for Starbucks' customers.

it differentiates the Starbucks customer experience from other concepts, while maximizing business results.”

Customer Centric Solutions

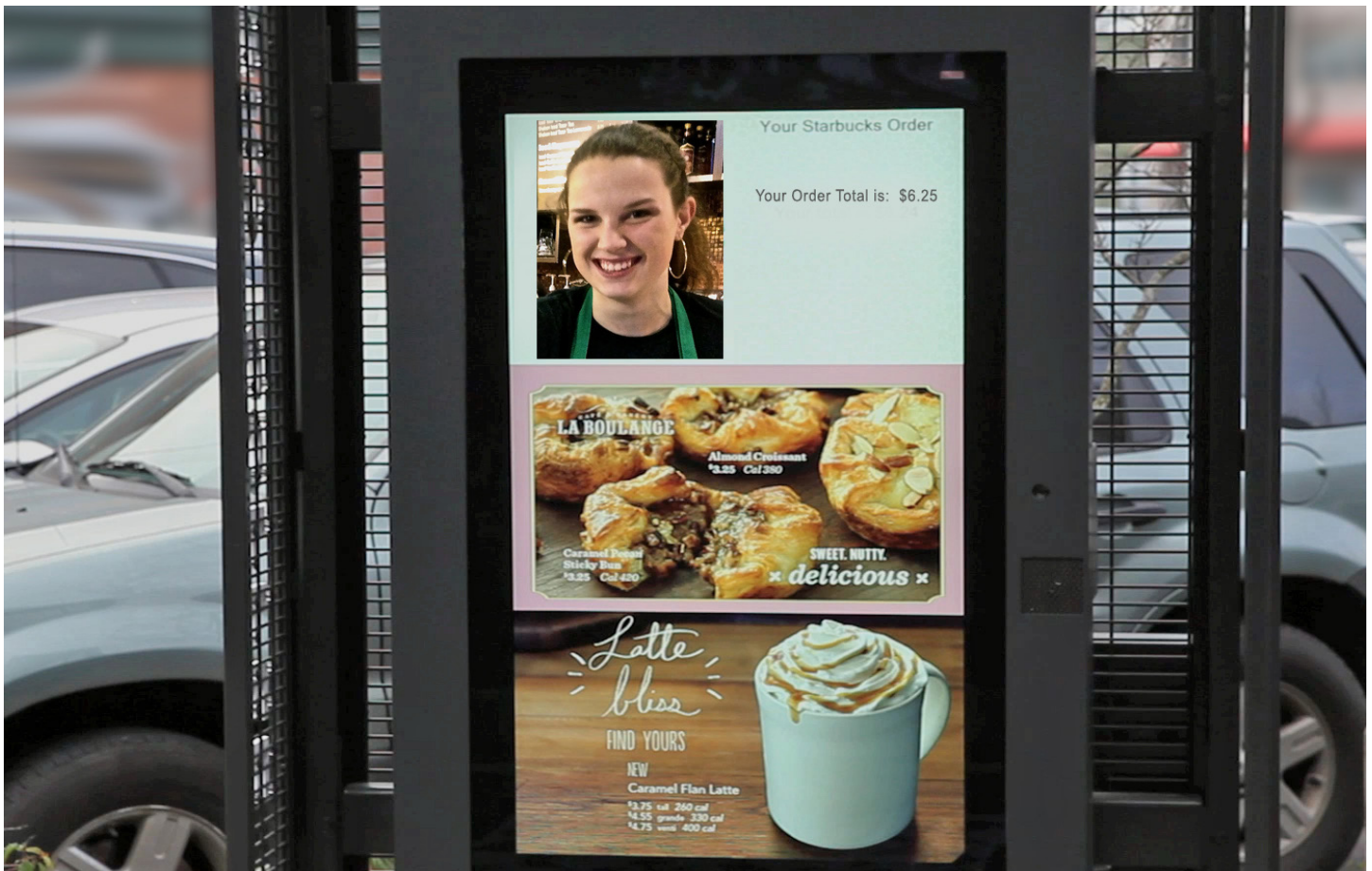
Recognizing customer zones was a breakthrough moment for Starbucks. Instead of thinking about the drive-thru as a whole, Starbucks started thinking about the different and distinct customer zones. Being able to dissect the drive-thru into key customer operating zones helped Starbucks think through many different improvement opportunities. New zone-specific

strategies were developed for the different customer zones. Messages were now cognizant of customer needs, attitudes and behaviors, and were tailored to meet specific, zone-appropriate business objectives.

These changes alone made a big difference in sales performance and customer satisfaction. But Starbucks didn't stop once they nailed zone-specific messaging. They set out to identify what else they could do to provide their drive-thru customers with the same Starbucks experience they enjoyed inside the store. That took some creative ideation... focusing on clearly



Navigating the drive-thru was improved with the introduction of drive-thru signage (cover image), branded chevron wayfinding arrows (left) and “Starbucks green” pavement stripes and arrows (right).



The Starbucks customer-barista connection can now be experienced at the drive-thru. The order verification board includes a live, two-way video chat capability, allowing both barista and customer to see and speak with each other. The board also suggest-sells available bakery items.

understanding customer needs...and even inventing new technological solutions. Here are a few examples:

Branded Wayfinding at the Drive-Thru. Customers had been having issues identifying stores that had drive-thrus, and smoothly navigating through them. Starbucks added unique branded chevron arrows and “Starbucks green” pavement stripes to help customers quickly find and easily navigate the drive-thru.

The “Digital Barista”. Ultimately, the key element in making the drive-thru experience replicate what the customer feels indoors is the addition of a 46 inch digital screen that allows customers to interact live via 2-way video with the baristas who serve them. The innovative digital display -- now in testing -- also serves as an order confirmation communicator, and promotes (in real time) available bakery items and suggest-sell promotions to increase incidence of food attach to beverage orders. The tests to date have been

highly successful. Customers love it. Particularly the unique ability to see and chat with your barista. Most recently, a YouTube video of a Starbucks barista in St. Augustine, Florida communicating via American Sign Language with a deaf drive-thru customer went viral, generating millions of views as of this writing.

Mobile Ordering Support. Starbucks is firmly established as a leader in mobile customer service. In its annual Drive-Thru Performance Study, QSR reported that “already the Starbucks App allows customers to pay with their smartphones inside stores or in the drive-thru. Last December, the company launched a pilot program of its Mobile Order & Pay platform in Portland, Oregon, and it has since expanded to more than 3,400 stores nationwide.” They are now using the digital technology that’s in their drive-thru lanes to support mobile order transactions.”

Starbucks is using smart-phone technology in their drive-thru lanes to support mobile order transactions.



“Aha” Moments

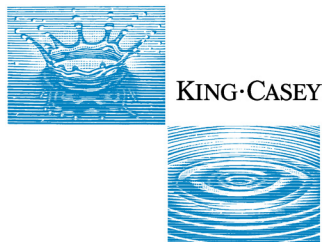
Starbucks did considerable testing to validate new solutions as they were developed. One area of great opportunity -- increased food sales at the drive-thru -- was initially imperiled by an internal cultural concern that images of food on the menu board would cheapen the Starbucks image. But, positive customer feedback in tests showed Starbucks it was working and enabled them to capitalize on the food opportunity. Starbucks now prominently utilizes visuals on its interior menu boards as well.

Another “aha” moment occurred about a year into the testing. “There’s a saturation point for messaging within individual customer zones”, says Blackiston. “Depending upon the zone and how customers use it, there’s an ideal maximum number of messages the

customer can digest. Going beyond that saturation point is a waste of money, and it can frustrate the customer and slow down throughput”. So zone-specific guidelines were developed to help Starbucks manage total messaging within the drive-thru. This ultimately helped increase customer throughput.

Dramatic Results

The dramatic business improvements that resulted from Starbucks’ reinvention of the drive-thru have initiated the largest capital expenditure in Starbucks history – an investment to ensure an aggressive expansion of the number of Starbucks locations with the new drive-thrus. The goal is to continually improve the experience anticipating that drive-thru sales will account for the majority of their business.



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