



Insight into modern technology used by Starbucks.

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Reinforcement learning

- For customers that use the Starbucks mobile app they receive order suggestions via this reinforcement learning platform that was built and is hosted in Microsoft Azure.
- From this and the work of Starbucks data specialist's over 16 million active Starbucks rewards members receive order recommendations based on there local stores inventory, the popular selections, the weather, previous orders and community preferences.
- This has proven to be a great way to get returning customers to try different orders, for example if someone constantly orders dairy free they will notice this and recommend dairy free beverages and food.



Azure Sphere

- to reduce the level of disruption Starbucks is partnered with Microsoft to deploy azure sphere which is made to secure everything on the wave of connected internet devices across the stores equipment
- The IoT enabled machines mange and collect over a dozen pieces of data up generating more than 5 megabytes of data in an eight hour shift.
- This also enables Starbucks to send new coffee recipes directly to machines which was previously done manually.

In the future the goal is to use it for things like managing inventory and ordering supplies



Impact of Technology Introduced Digital Skills and Research Method

Assessment 1
Module Code: BMSW4003

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Technologies

3-M Social Media Framework (Gallaughar & Ransbotham, 2010)

- Megaphone (Firm – Customer)
- Magnet (Customer – Firm)
- Monitor (Customer – Customer)

Mobile Order & Pay (Nominated for Tech Awards)

Artificial Intelligence – Azure Sphere

Traceability Technology

Reinforcement Learning Technology (Sokolowsky, 2019)

Impact on Customers

Benefits:

- Order and Pay in advance
- Radically Personalised and Warm Experience
- Tailor-made Order Suggestions
- 3-M Framework enables users to share ideas, complaint etc.

Drawbacks:

- 3-M Framework may not be representative for all customers
- Prices
- Waiting Times

Impact on Employees

Benefits:

- More talent than companies
- Focus on customer services
- Drink production
- Merchandising
- Social Engagement Platform - Worldwide

Drawbacks:

- Employee theft
- Customer Services Roles
- Cashier Roles

Impact on Suppliers (Matthews, 2015)

Benefits:

- Real-Time Demand produce
- Meeting demands with Agility
- Supplier Relationship Management (Consona Consona)
- Maistro – Achieve efficient and effective Supply chain
- Financial Empowerment

Drawbacks:

- Strict Supplier Vetting
- Production decline – Costa Rica Farm
- Reducing Waste and Inefficiencies

Impact on Business

Benefits:

- Trial new ideas with data, use more data to decide (Rahman, 2016)
- Targeting customers with personalized promotions and offers
- Increased Market Share
- Performance - 10 x Costa 2015
- Advanced machine maintenance
- Revenues (Etoro, 2020)



Drawbacks:

- Increased cost on self service kiosks
- Differentiation from Competition (Lock, 2020)
- Return on Investment

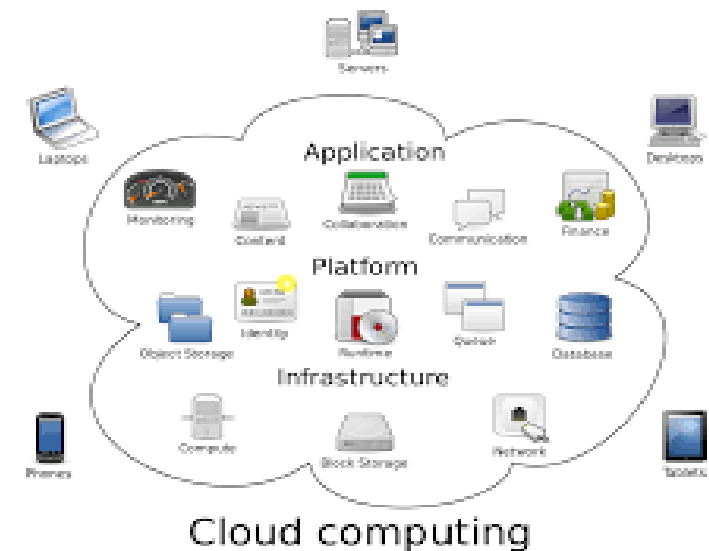
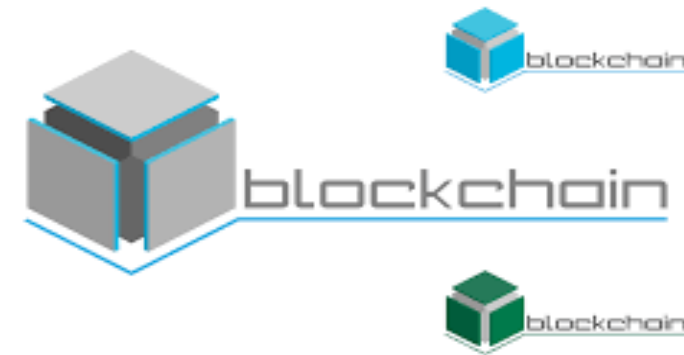
LESSONS DRAWN FROM THE CASE STUDY

Presented by Olamide Bobby



STATUS OF STARBUCKS BEFORE AND AFTER INTRODUCING THE MODERN TECHNOLOGY

- ▶ While walking into the stores of Starbucks anywhere, consumers will encounter similar sight: grinding coffee beans, pulling up espresso shots. The process may seem simple, but it is arranged carefully to serve over 100 million consumers weekly.
- ▶ By using Microsoft, Starbucks is formulating an even more seamless and personal customer experience in its stores by executing advanced technologies, especially incorporating cloud computing and blockchain.
- ▶ Starbucks has been utilizing a mass of cloud services since last few years to develop flexible assembly models, chiefly to integrate their early investments with existing innovations so as to transform the business models quickly whenever necessary.



THE IMPACT OF TECHNOLOGICAL CHANGE ON BUSINESS FUNCTIONS OF STARBUCKS

The world-class tech teams at Starbucks witnessed that technology is a driving force to impact its bottom line in every positive ways through inspiring big ideas & forward-thinking solutions. The below evidences will prove how the business became a tech organization and stands on the leading edge of tech adoption

- ▶ A big opportunity
- ▶ A digital flying wheel strategy
- ▶ Microsoft exec comes abroad
- ▶ Hiring spree



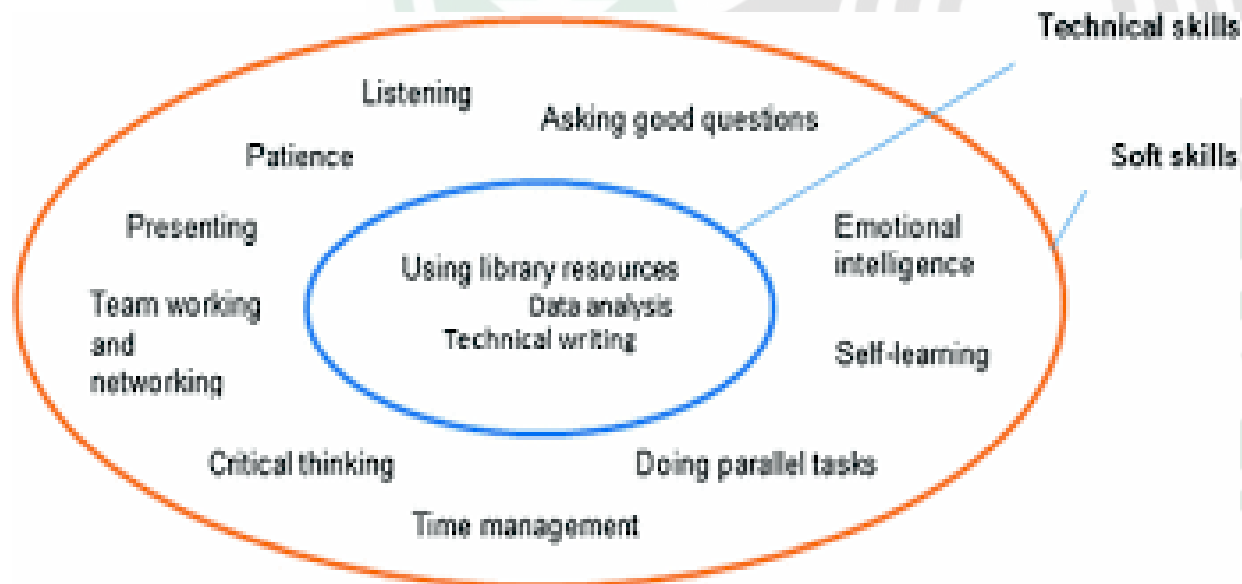
VIEWS ON TRADITIONAL & MODERN TECHNOLOGY

- ▶ Every business is now seeking for ways to increase their efficiency by unlocking their data value, which would have not been possible through traditional technology, thus modern integration is essential.
- ▶ As an early stage of digital phenomenon, the Chief Digital Officer has brought up many technological initiatives via simple platforms, for instance: In-store Wi-Fi and Mobile Pay.
- ▶ Observing success of Mobile Order & Pay, Starbucks looked further to improve delivery services and thus rolled out Green Apron Service- a technology driven delivery platform.



IMPROVEMENTS IN RESEARCH AND PRESENTATION SKILLS

I believe that whenever one has to write a blog or story, they will possibly reach a phase where they do not get enough information to move ahead- and here when research begins. This was the same case in our presentation, I found that technology is a broad term and thus requires a great research, hence to obtain sufficient and desired information, I with my group visited number of sites that enables us to create an outline for the subject. In this way, we were able to become knowledgeable on the subject field.



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