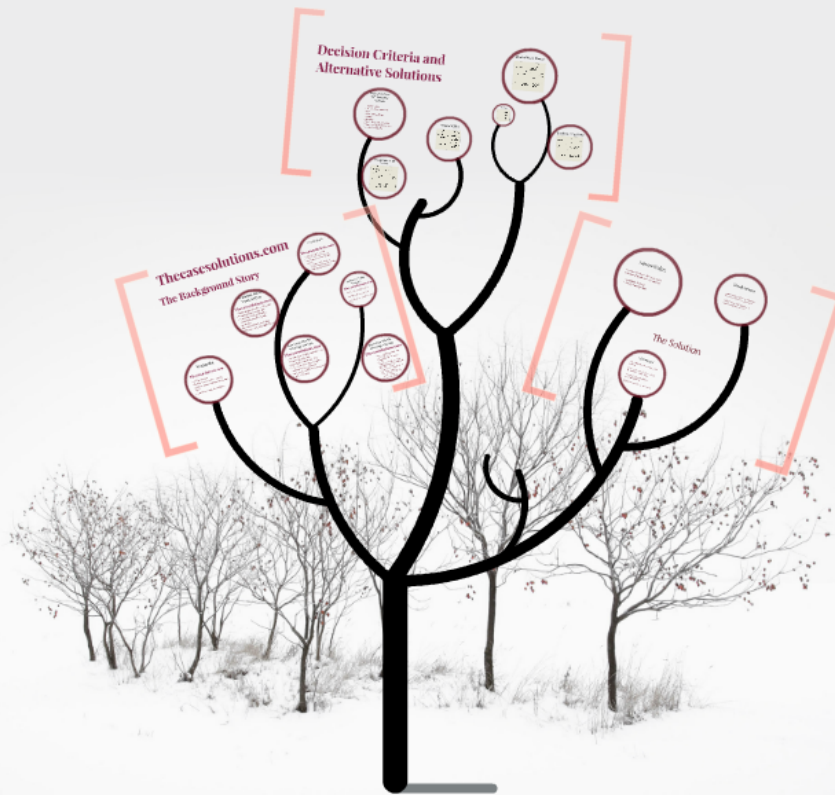


Starbucks Canada: The Mobile Payments Decision



Thecasesolutions.com

Starbucks Canada: The Mobile Payments Decision



Thecasesolutions.com

Starbucks

Thecasesolutions.com

- Coffee Retailer
- Established in 1971 in Seattle
- Did not open Canadian doors until 1987
- 21,000 locations World Wide



Tim Horton's

Thecasesolutions.com

- Coffee and Pastry Retailer
- Established in 1964 in Ontario
- Currently owned by Restaurant Brands
 - A company with shares in Toronto Stock Exchange and New York City Stock Exchange



Starbucks VS Tim
Horton's
Thecasesolutions.com

Tim Horton's own 18.4% of market

Starbucks owns 2.6% of market

Starbucks still has its Mobile Payment
Plan

Starbucks Mobile Payment Plan

Thecasesolutions.com

- App that operates like a Gift Card
- Easy to setup and maintain
- One of the first quick serve restaurants to offer mobile payments.
- By July 2013 10% of in-store purchases were done with the app.

Causes for Why The Advantage was Lost

Thecasesolutions.com

- Tim's Hortons Implemented its own Mobile Payment plan
- Launched in December 2013
- Like Starbuck's Original System (operates like a gift card)
- Customers would tap the payment terminal to pay

Causes for Why The Advantage was Lost

Thecasesolutions.com

- Starbucks Responded with a New Mobile Payment Plan
- Charge Customer's Credit Card
- Failed:
- Little to None Employee Training
- Some Locations were Not Equipped with Proper Scanners
- Needed Two-Dimensional not One-Dimensional Scanners
- Overcome with 16-Digit Code
- Unreliable System
- Up To 57% Failure Rate