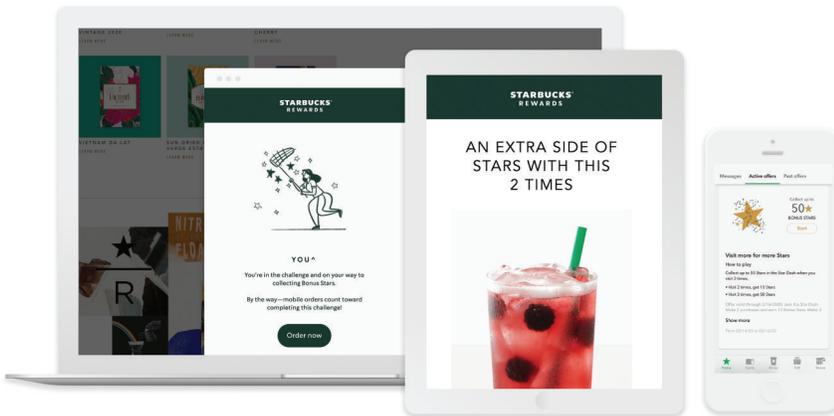




# Leveraging the Power of Personal Offers for Growth



## The Goal

Starbucks Corporation – the largest coffeehouse chain with more than 31,000 stores around the globe – had an ambitious goal: to become the most personalized brand in the world.

To achieve this goal, the loyalty marketing team sought to deliver personal offers to more than 18.9 million active members of the Starbucks® Rewards loyalty program.

## The Opportunity

Starbucks wanted to grow revenue from its loyalty program through personal offers. Their aspiration was to move beyond traditional personalization all the way to individualization.

However, the company's existing tools were not able to support personal offers or the speed of the end-to-end marketing process the loyalty marketing team desired.

## Results

**100,000x**

Increase in the number of offer variations

**3x**

Increase in personalized marketing sales lift

**10x**

Reduction in the time it takes to develop and launch offers

## The Solution

To achieve its goals, Starbucks used Formation's powerful offer automation system, which enabled the brand to deliver millions of individualized offers to members of My Starbucks® Rewards.

With Formation, Starbucks was able to use disparate data sources – including transaction, product, loyalty, and store information – to construct, deliver and manage impactful personal offers.

Machine learning was used to individualize and optimize offer selection for each My Starbucks® Rewards member. Each offer was individualized in numerous ways, including the number and type of actions; specific categories, sub-categories or products; amount and type of rewards.

The Formation offer automation system made it easy for Starbucks to deploy individualized offers across channels by automating offer assembly, offer management, reward fulfillment and KPI measurement and tracking.

Formation helped Starbucks to:

**Create personal offers at enterprise scale:** Starbucks was able to create millions of offers each week across multiple offer types. Each type of offer was constructed to improve certain customer behaviors including frequency, category exploration, cross-sell and upsell.

**Individualize offers and improve over time:** Machine learning was applied to Starbucks's customer data and the customer's interaction patterns (or lack thereof) to optimize offer individualization and offer selection.

**Synchronize cross-channel experiences:** Personal offers were delivered across channels including email, the mobile app, and push notifications.

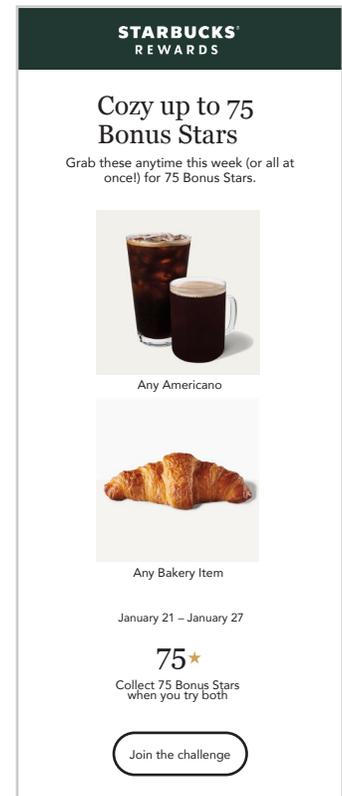
**Improve the customer experience:** My Starbucks® Rewards members could see their progress in real-time, with their unique offers and status reflected in the mobile app.

**Dramatically increase execution speed and reduce manual work:** The Formation solution automated many facets of the offer process including development, deployment and measurement leading to dramatically faster operations and improved marketing operations efficiency.

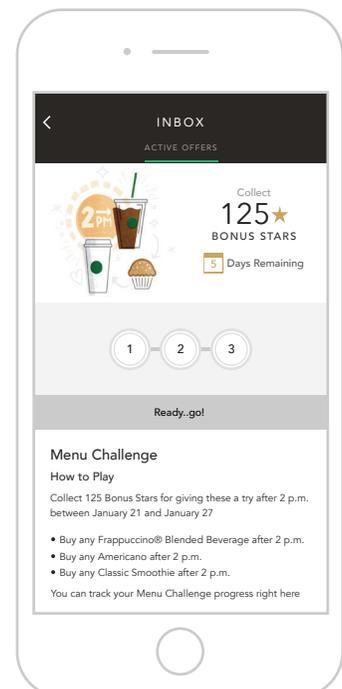
**Conduct Advanced Experiments:** Safely, incrementally and reliably tested initiatives in the market using Formation's end-to-end experimentation feature.

**Measure impact:** Formation tracked and measured offer results in order to provide detailed attribution reporting against key performance indicators (KPIs).

Sample Email Offer



Sample Mobile Offer



Connect With Us

[sales@formation.ai](mailto:sales@formation.ai)

10x

Increase in marketing operations execution speed

3x

Increase in personalized marketing sales lift

3x

Increase in marketing spend efficiency

