

# Improving Starbucks

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# The Team



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# Company Background



## About the Product

[Starbucks](#) is a global coffee company founded in 1971 in Seattle, known for its high-quality coffee and customer experience. It focuses on ethical sourcing, sustainability, and community engagement. The application is available on mobile (iOS & Android), web, tablet (via mobile app), smartwatches (limited functionality), and in-store kiosks.

## Functionality

- **Mobile Payment & Rewards** – Pay with cards, PayPal, Venmo, gift cards, or campus cash, and earn Stars for free items
- **Online Ordering** – Order ahead for quick pickup
- **Customization** – Save favorite orders and locations
- **Gift Card Management** – Manage and consolidate gift cards
- **Gamification** – Earn rewards, get personalized offers, and join events for extra perks

# Target Users

“More than half our U.S. customer base is **Gen Z and Millennials** reflecting relevancy and brand love across generational cohorts, trends we see with diverse customer cohorts as well”

-Sara Trilling, Executive Vice President and President of Starbucks North America [[Forbes](#)]

## Profile of a Starbucks Mobile App User

### Shopper Demographics

Weekly Starbucks App Users vs. Average Shopper



#### GENERATION Gen X

HHs: 42%, Index: **142**



#### URBANICITY Urban

HHs: 43%, Index: **125**



#### INCOME High Income (\$80k+)

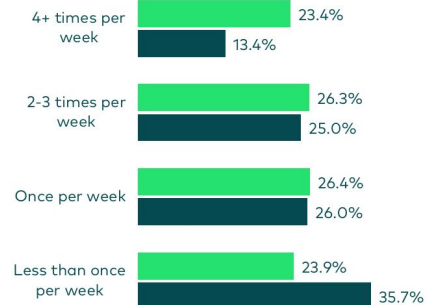
HHs: 49%, Index: **117**



#### ETHNICITY Multicultural (Non-White)

HHs: 43%, Index: **135**

### How often do you dine out?



■ % Weekly Starbucks App Users ■ % All Shoppers

\*Numerator Insights 52 weeks ending 9/29/2019

# Competitors

Brand	Founded	Number of U.S. locations	Parent Company	Mobile app availability
<a href="#">Dunkin'</a>	1950	~ 13,200	Inspire Brands	IOS, android, Web, smartwatches, in-store kiosk
<a href="#">McDonald's</a>	1940	~ 13,000	McDonald's corporation	IOS, android
<a href="#">7-Eleven</a>	1927	~ 9,500	Seven & I Holdings	IOS, android
<a href="#">Dutch Bros</a>	1992	~ 1,000	Dutch Bros Inc.	IOS, android

# Challenge

## Business Challenge

Customer satisfaction with the Starbucks mobile app has plateaued, and the company is **looking to increase sales**. The problem is finding how to **increase the adoption of mobile ordering and mobile payment**.

## The Importance

Starbucks' financial situation is facing challenges with **declining same-store sales and profitability pressures**, prompting strategic efforts to improve efficiency, customer experience, and growth.

## Research Question

What, if anything, could be improved about the Starbucks current app experience to retain current customers and attract new customers?

# Methodology

1

## **Desk Research | 25 sources**

What is the history of Starbucks' user base, customer satisfaction, finances, and brand?

2

## **Competitive Teardown | 2 apps | 9 CUJ's**

How does the Starbucks app compare to competitors like Dunkin' Donuts?

3

## **Ethnography | 2 hour observation at 2400 Baseline Rd, Boulder, CO 80305**

How does the mobile app influence customer interactions and in-store behavior?

4

## **In-Depth Interviews | 30 min | 3 people**

How do users feel towards the app and the concept of mobile ordering?

5

## **Usability Interviews | <30 min | 6 people**

What can be done to improve the mobile app experience and ordering process?

# Data Collection

**Desk Research:** Analyzed Starbucks' app, user base, and history using first-party (website, investor reports) and third-party sources (industry reports, news).

**Competitive Teardown:** Documented app experiences with screenshots and notes, highlighting areas of delight and pain points.

**Ethnography:** Observed users at a local Starbucks to capture real-world interactions and customer needs.

**In-depth Interviews:** Conducted 30-minute remote interviews to explore participants' mobile ordering habits and Starbucks app experiences.

**Moderated Usability Interviews:** Held in-person and remote usability sessions, analyzed feedback by color-coding responses and identifying trends.

## Key Takeaways

- Target Audience** – Starbucks' mobile app users are primarily Millennials and Gen Z, with a growing influence on Gen Alpha through family shopping habits at Target stores. The majority of users come from higher-income, urban areas.
- Mobile Ordering Growth** – Mobile orders account for 25% of total transactions in the U.S., with app usage increasing by 12.4% in 2022 to nearly 33 million users. More than 70% of Starbucks sales now come from the app and drive-thru.
- Customer Pain Points** – Users face issues with app crashes, slow loading times, inaccurate menu availability, and inconsistency in order fulfillment. Mobile pickup areas can be chaotic, creating a frustrating experience for both customers and baristas.
- Competition** – Starbucks is facing increased competition from brands like Dunkin' and Dutch Bros, which have successfully adopted mobile ordering. Dunkin' offers a more affordable alternative, while Starbucks positions itself as a premium brand.
- App Performance & Updates** – While the Starbucks app has a high rating (4.6 stars), seasonal updates sometimes introduce bugs. Users appreciate its minimalist design, seamless payment system, and rewards program but have requested better real-time menu updates and additional payment options.
- Overwhelmed Employees** – The dual-ordering system (in-store vs. app orders) is causing operational strain. Baristas struggle to keep up with demand, leading to long wait times and order inaccuracies, especially given Starbucks' complex menu with 170,000+ possible drink combinations.
- Curbside & Drive-Thru Expansion** – Starbucks is investing in drive-thru and curbside pickup, particularly in partnership with Target. This caters to consumers but may divert focus from improving the in-store experience.
- Loyalty & Gamification** – The Starbucks Rewards program engagement, incentivizing repeat purchases with its star-based gamification aspect, but inconsistent execution across local markets.
- Retention & Adoption Challenges** – Some customers resist crowded pickup areas, inconsistent service, and occasional performance, order fulfillment accuracy, and store workflow adoption and retaining users.
- Financial Situation** – Starbucks reported a 7% decline in its consecutive quarters in 2023, driven by weaker demand in its FY2023, revenue remained flat at \$5.4B, but operating margins order now account for 35% of total sales, with increased costs have caused operational inefficiencies.

## James - Observation Notes

- Barista waiting (1:15 PM)
- 4 baristas behind the counter
  - Baristas welcome customers as they walk in
  - Those with in person orders come directly to the counter to place an order
  - 1 person in line
  - 1 person in line
  - 1 person in line
  - 1 person in line
  - 1 person in line

## Evelyn - Observation Notes

- On Entrance, 4 drive, 2 food mobile orders waiting, 8 people in store sitting, at least 6 were in-store orders, 4 baristas, no line (1:04)
- All 4 mobile order drives picked up, at least 1 order was multiple things
  - People came in, grabbed order from area, and left (1:06-1:10)
  - 1 mobile order waiting (1:10)
  - 1 guy walked in, then waiting (1:18)
  - At 1:19 got to the counter
  - 1 mobile food and drink order waiting (1:19)
  - 1 store walk-in order (1:30)
  - Used card to pay, waiting, got drink canner, sat down, got food order (1:22), left (1:23)
  - 1 mobile walked in and grabbed 2 item order, left (1:22)
  - 1 store looked at food, ordered more than one thing (1:26)
  - Barista cleaned coffee tray (1:26)
  - Barista (1:27), used card to pay

## Shradha - Observation Notes

### In-Store Orders

- 1:10 PM - 4 employees present, 2 people ordered
- 1:12 PM - 1 person ordered, most customers appeared to be students with backpacks
- 1:17 PM - 1 person ordered and received their order within 2 minutes
- 1:18 PM - 1 woman ordered and received her order within 2 minutes
- 1:19 PM - 1 woman ordered, received it right away, and got her food at 1:22 PM
- 1:22 PM - 1 female student in line
- 1:23 PM - 1 female student in line
- 1:25 PM - 1 woman ordered and received her food after 3 minutes
- 1:26 PM - 1 woman ordered and received her drink after 4 minutes
- 1:28 PM - 3 women placed in-store orders
- 1:31 PM - First received order at 1:31 PM
- 1:32 PM - The first drive received order at 1:32 PM
- 1:33 PM - 2 labor men arrived, found a seat, and one ordered in store at 1:33 PM, the other drove away at 1:36 PM
- 1:38 PM - A couple placed an in-store order and received their order at 1:38 PM
- 1:42 PM - 1 woman checked something left without ordering
- 1:44 PM - 2 men and 1 woman placed orders (1 order ready at 1:39 PM)
- 1:45 PM - 1 woman placed an in-store order for 2 food items and a drink
- 1:47 PM - 3 women arrived
- 1:50 PM - 1 person ordered at 1:50 PM
- Another ordered in-store and received it at 1:53 PM
- 1:53 PM - A man found a seat and ordered in store at 1:52 PM, receiving it at 1:54 PM
- 2:03 PM - 1 man ordered in-store using a card and received it at 2:05 PM
- 2:05 PM - 1 woman placed an in-store order
- 2:09 PM - 2 women placed in-store orders
- 2:10 PM - 1 woman placed in-store order
- 2:13 PM - Evelyn placed an in-store order
- 2:14 PM - 1 woman arrived and placed an in-store order
- 2:18 PM - 1 man and 1 woman placed in-store orders
- 2:23 PM - 2 women placed in-store orders

**A** There's no issue

**B** Low priority issue

**C** Minor usability issue

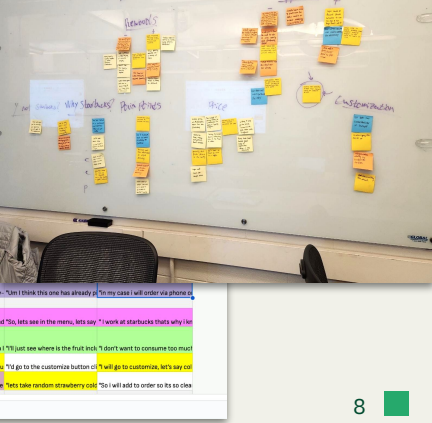
ATLS \$519 UXR - Starbucks Notetaking Grid

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CSB

	A	B	C	D	E
1	Participant	P1	P2	P3	P4
2	UXR Moderator	Evelyn	Evelyn	James	James
3	Participant's First Name	Karin	Kas	Janis	Michelle
4	Gender	Female	Male	Female	Female
5	Age	55 yrs	26 yrs	28 yrs	25 yrs
6	Interview Date + Time	3/7 @ 2pm	3/9 @ 3pm	3/1 @ 7pm	3/4 @ 7:45pm
7	Interview Recording Link	Link	Link	Link	Link
8	Introduction	Link	Link	Link	Link
9	Report	Link	Link	Link	Link
10	How's your day going? (Insert how you've felt, how's life treating you?)	Link	Link	Link	Link
11	Needs & Behaviors	Link	Link	Link	Link
12	What do you think about mobile ordering?	Link	Link	Link	Link
13	How often do you use mobile ordering app?	Link	Link	Link	Link
14	When was the last time you ordered something?	Link	Link	Link	Link
15	Questions	Link	Link	Link	Link
16	Starting an Order & Location Selection	Link	Link	Link	Link
17	How would you begin with starting an order?	Link	Link	Link	Link
18	Go ahead and find your nearest location. How would you go about this?	Link	Link	Link	Link
19	Ordering & Customization Process	Link	Link	Link	Link
20	Let's say that you want to choose a Venti size and add the scoop of Strawberry Fluff inclusions. How would you do this?	Link	Link	Link	Link
21	Let's say that you want to choose a Venti size and add the scoop of Strawberry Fluff inclusions. How would you do this?	Link	Link	Link	Link
22	How would you customize your order. Where would you go?	Link	Link	Link	Link
23	Go ahead and add cold foam and vanilla syrup. How would you do this?	Link	Link	Link	Link





# Study Limitations

Research Method	Limitations
<b>Desk Research</b>	<b>It was difficult to find current data</b> about the Starbucks user base and customer perception over time, as some sources were from 2019 or early 2020's
<b>Competitive Teardown</b>	We compared Starbucks to <b>Dunkin' Donuts, its largest direct competitor</b> , but we did not do any comparisons with <b>more indirect competitors like McDonald's or 7/11</b>
<b>Ethnography</b>	Different Starbucks <b>locations have varying demographics, which affects customer behavior</b> . Choosing one Starbucks location limited our pool of customers to observe
<b>In-depth Interviews</b>	Our <b>sample size was small</b> , and <b>some individuals didn't use the app</b>
<b>Usability Interviews</b>	We recruited participants through <b>convenience sampling</b> , which could have lead to an <b>unrepresentative sample of users</b>

# Executive Summary

# An Overview

**The Question:** What, if anything, could be improved about Starbucks current app experience to retain current customers and attract new customers?

**The Answer:** Improve the overall user experience and flow of the app to reduce user confusion

**The Reason:** The goal is to maintain business growth and revenue

**The Risk:** The risk is frustrating users with a poor experience that they don't understand, which results in a loss of customer base



# Recommendations

1

Starbucks can **consider how to onboard new users on how the loyalty program works** so that customers can recognize its value

2

To provide new and existing users with navigation clarity, Starbucks can **investigate which icons and CTA labeling users will best understand** to move through the app

3

Starbucks can **explore how to group customization options** so that users can better understand how their choices are organized and find what they want

4

To raise awareness about the purpose of in-store app scanning, Starbucks can **explore ways to highlight the “scan in-store” feature through its mobile app and physical locations**

5

At least in the Boulder location on Baseline Rd, Starbucks can consider **exploring ways to separate mobile and in-store pickup areas** to streamline customer traffic and reduce crowding

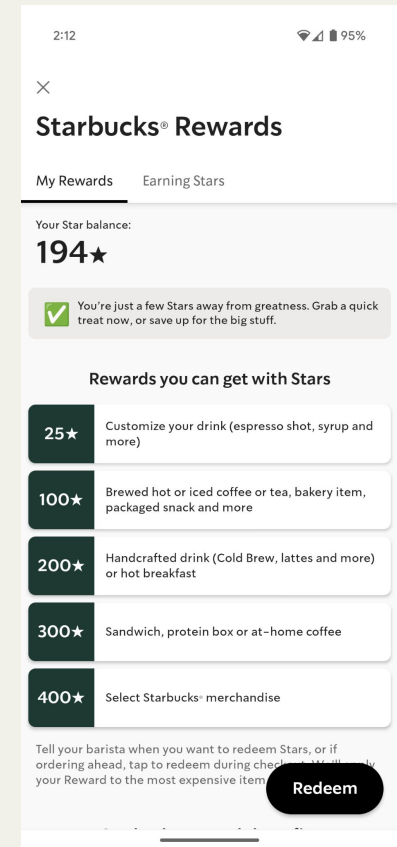
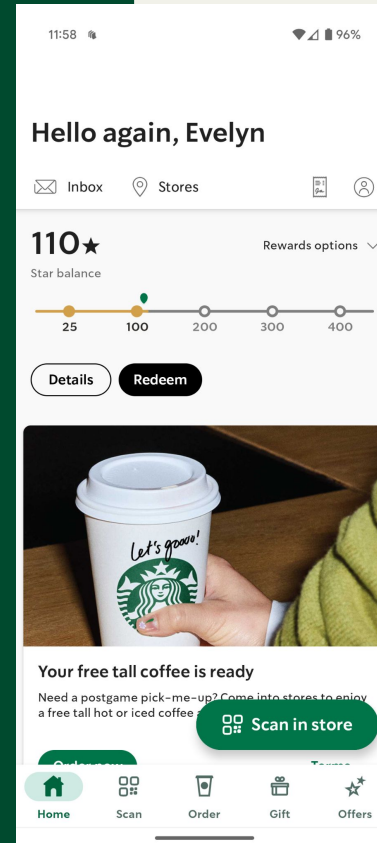
# Detailed Findings

# **Starbucks Experience & Culture**

# Loyalty Program

- New users did not understand how the loyalty program worked because the details were unclear to them
- Existing users expressed frustration with how rewards expired

**Recommendation:** Starbucks can consider how to onboard new users on how the loyalty program works so that customers can recognize its value



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I don't know what I'm looking at. This whole concept of like stars and stuff, like I get that people get rewards, but since I don't know, for me, it seems like a lot of clutter, I guess.

- Michelle



# Paying in-store

- Many users did not use the scan feature because they did not know its purpose

**Recommendation:** To raise awareness about the purpose of in-store app scanning, Starbucks can explore ways to highlight the “scan in-store” feature through its mobile app and physical locations



“

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Pay in store... It says link payment- pay directly at participating stores. I would probably click that. But now it's asking you to save a card so I'm a little bit like “am I paying in store if I add this here?” Is that considered paying in store?

- Michelle

# Physical Space

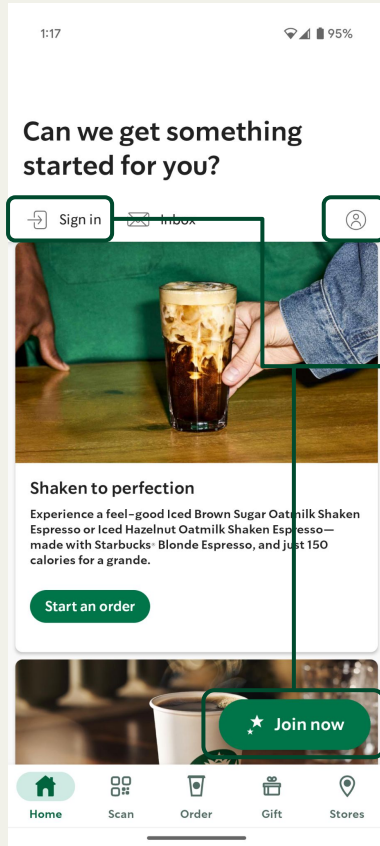
- Customers filled up the order pickup area as they waited for orders
- Several people ordered together in-store and waited in groups at the pickup area
- Both mobile orders and in-store orders were put in the same pickup area

**Recommendation:** At least in the Boulder location on Baseline Rd, Starbucks can consider exploring ways to separate mobile and in-store pickup areas to streamline customer traffic and reduce crowding

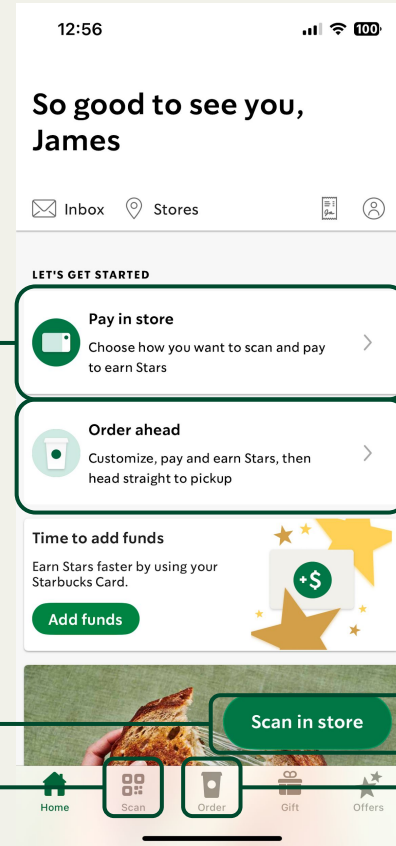


# Navigating the App

# Redundant Options



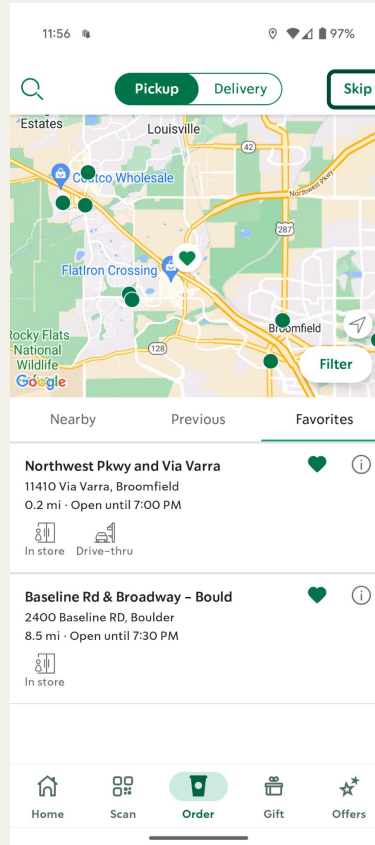
Too many ways to sign in can be excessive and confusing



Redundant ways to place a mobile order

Redundant ways to pay in store

# Unnecessary Option

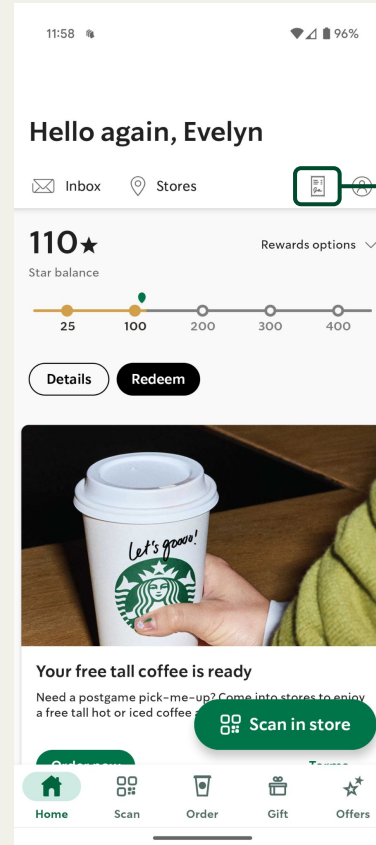
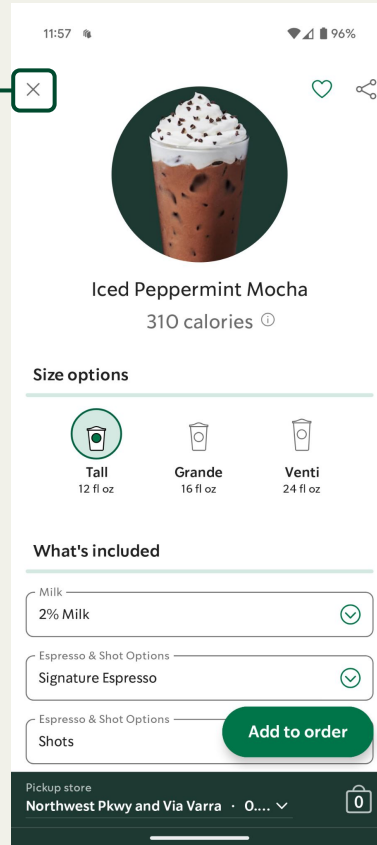


Choosing a store is a requirement in the ordering process

If this option is selected, users will still have to choose a location later

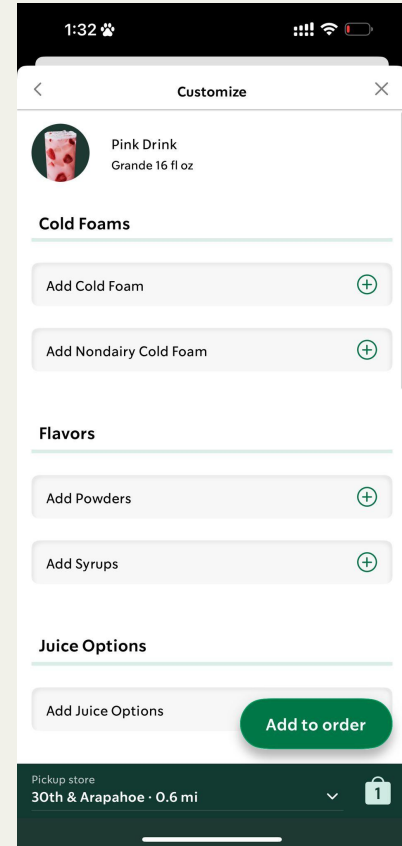
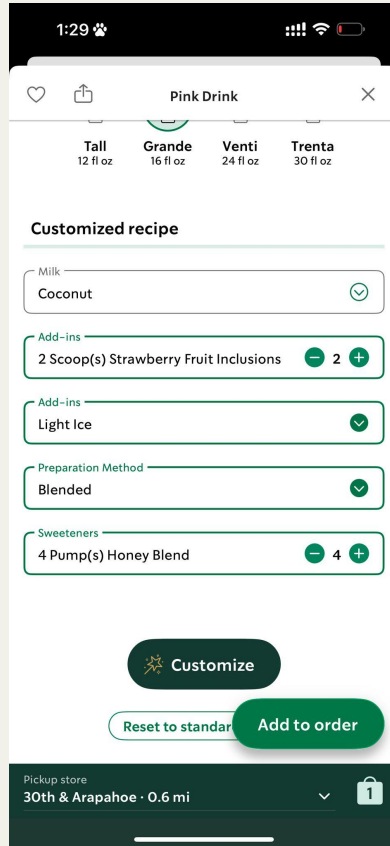
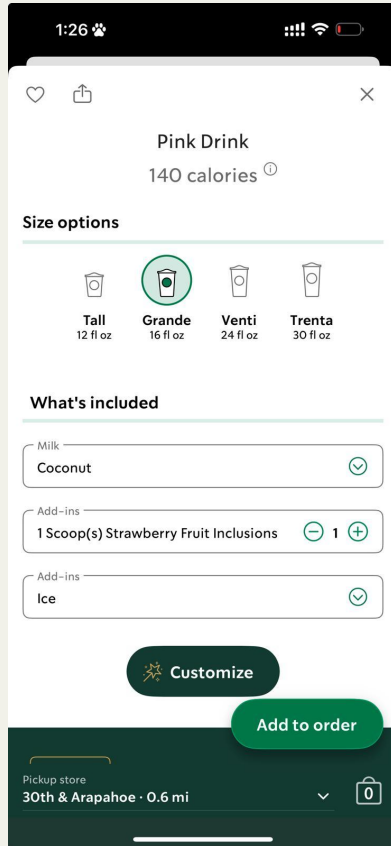
# Confusing Iconography

The "X" button functions as a back button, but it can convey that users are deleting their order progress



History/receipt icon is difficult to understand

# Too Many/Disorienting Customization Options

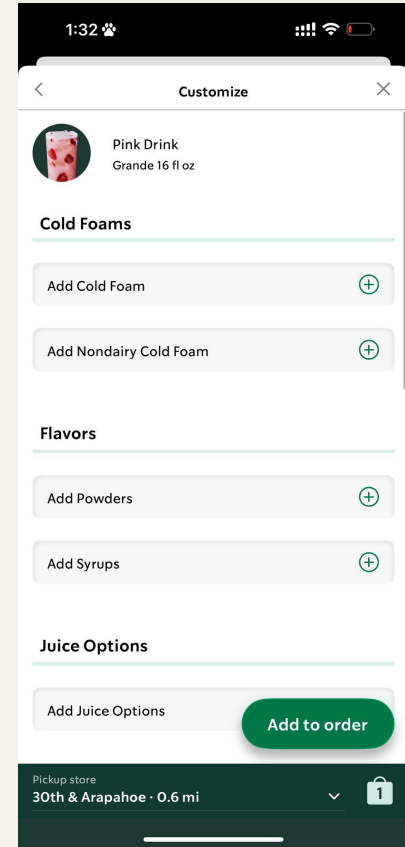
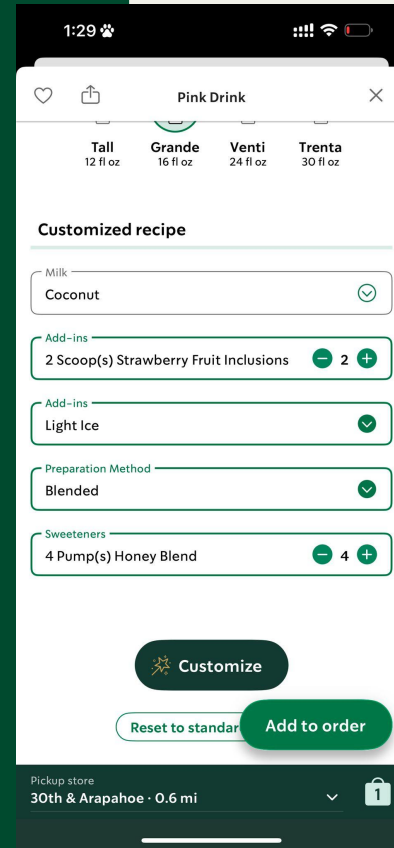




# Customization

- A few users wanted greater clarity in customization options because they were unsure how certain customizations would affect their drink
- A few users did not notice the customization options because they didn't feel the need to change the default order

**Recommendation:** Starbucks can explore how to group customization options so that users can better understand how their choices are organized and find what they want



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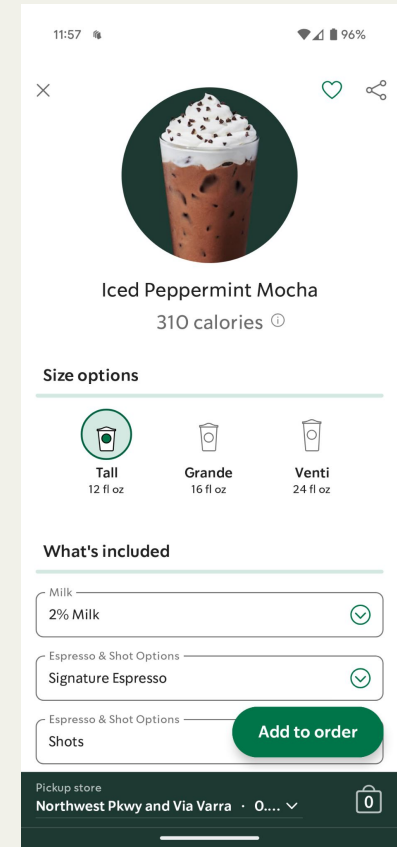
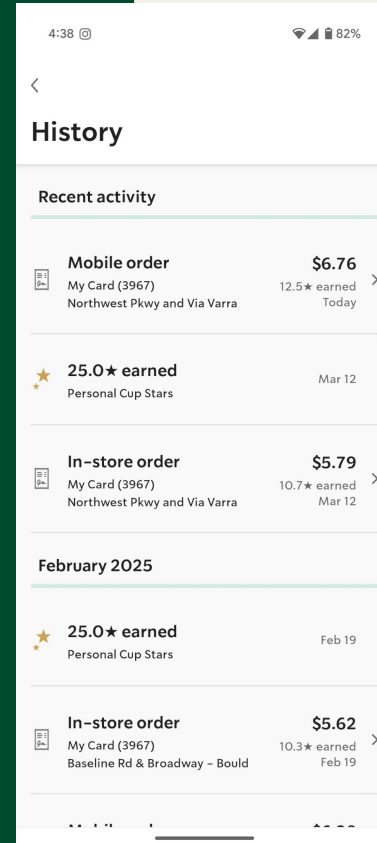
I'm probably just not the clientele for this app. I just don't order drinks usually and I think the customization depending who you are might be kind of overwhelming.

- Janis

# Call to Action

- A few users had difficulty finding the "Join Now" option and mistook the "Customize" button for an advertisement because of inconsistent visual design and unclear button affordances
- A few users did not know how to interact with the "Receipt" icon and the "X" icon because they didn't know what they meant

**Recommendation:** To provide new and existing users with navigation clarity, Starbucks can investigate which icons and CTA labeling users will best understand to move through the app



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I don't like how the pay changed in the store... it doesn't immediately give you an obvious place to add tip, you have to go to history... Also the history thing [receipt] is not intuitive to give a tip...

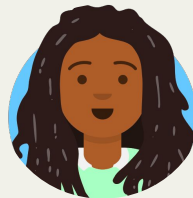
- Karyn

**Thank You**

# Appendix

# Demographics

In-depth Interviews



## **Abena**

Gender: Female

Age: 25-39

Type of User: Ex-user of app



## **Yash**

Gender: Male

Age: 25-39

Type of User: Never used app



## **Sheena**

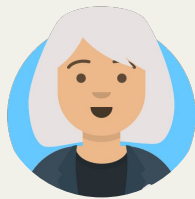
Gender: Female

Age: 25-39

Type of User: Never used app

# Demographics

## Usability Interviews



**Karyn**

Female, 55  
Current user



**Kas**

Male, 26  
Current user



**Janis**

Female, 28  
Never used app



**Michelle**

Female, 25  
Never used app



**Vishakha**

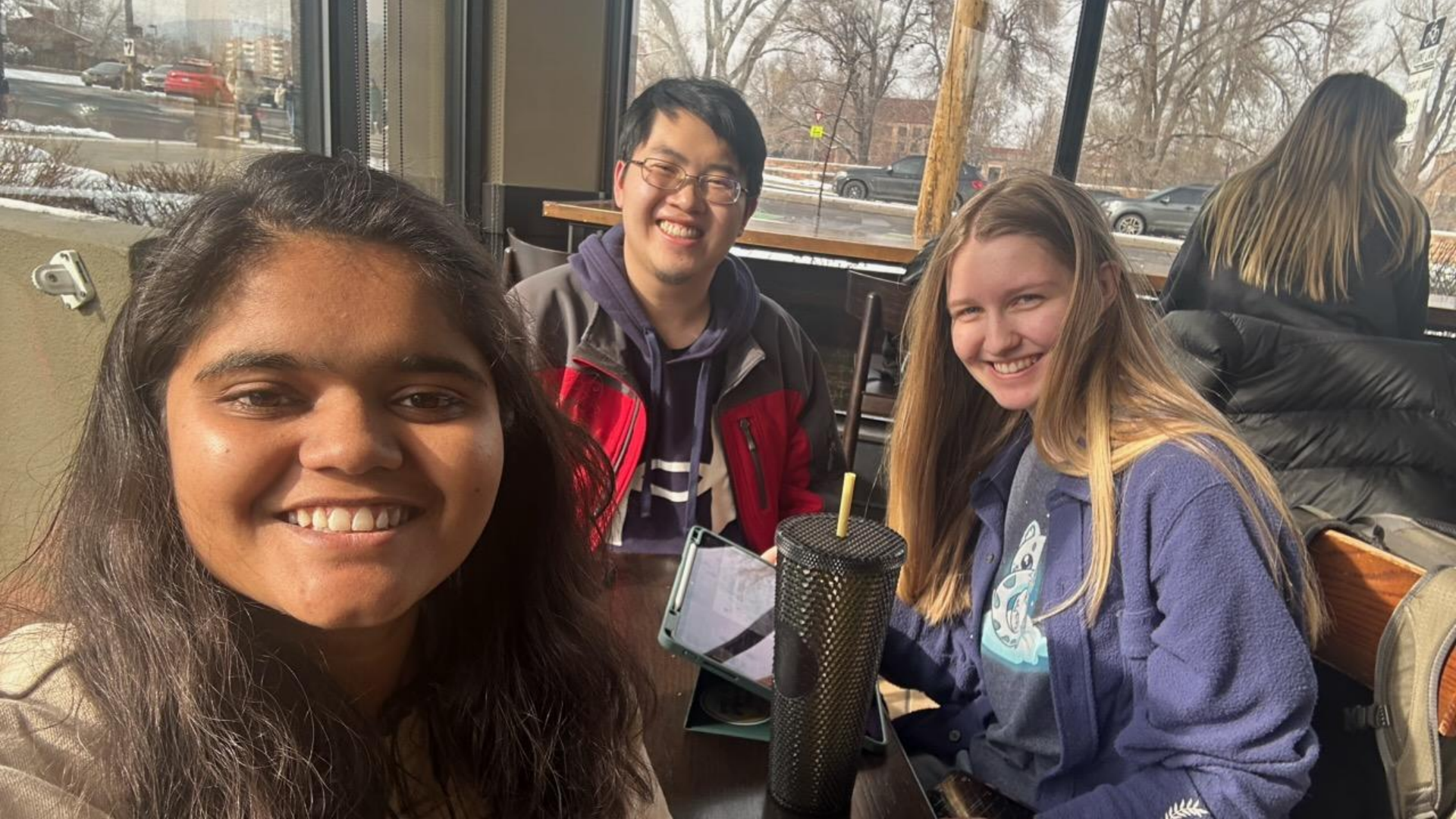
Female, 27  
Never used app



**Mythiresh**

Male, 23  
New user





# UXR Teardown

**Client:** Starbucks | **Competitor:** Dunkin'

**Rationale:** These are in direct competition with each other as leading coffee chains with mobile app ordering

**Surface:** We evaluated the mobile app for both Starbucks and Dunkin

## Critical User Journeys:

1. Sign in or create an account
2. Open app and see reward points
3. Go to the order page and select desired store location
4. Pick a beverage from favorites or browse the menu
5. Open beverage menu, choose size, and customize order
6. Select add to order and add drink to bag/cart
7. Open bag/cart and review order summary
8. Checkout and pay
9. Confirmation, pickup, and order status

## Scorecard Metrics

<b>A</b>	There's no issue
<b>B</b>	Low priority issue
<b>C</b>	Minor usability issue
<b>D</b>	Major usability issue
<b>F</b>	Catastrophic UX issue

CUJ Scorecard	Starbucks	Dunkin'
Sign in or create an account	B	A
Open app and see homepage and reward points	C	A
Go to the order page and select desired store	A	B
Pick a beverage from favorites or browse the menu	A	A
Open beverage menu, choose size, and customize order	A	A
Select add to order and add drink to bag/cart	A	A
Open bag/cart and review order summary	C	A
Checkout and pay	B	A
Confirmation, pickup, and order status	B	B

# Documents

Desk Research

Competitive Teardown

Ethnography

In-depth Interviews

Moderated Usability Interviews

