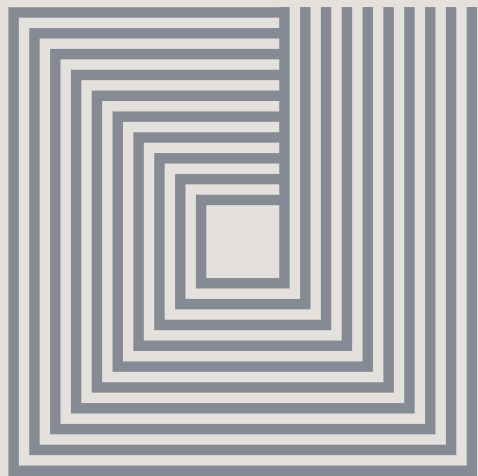


Starbucks Metrics Demo



STARBUCKS DATA*

**Using a set of sample data to put you in the mindset for Marketing Strategist Assignment #2*

Personal Information

- Customer ID
- First Name
- Last Name
- Email

Demographic Information

- Age Group
- Gender
- Region
- Full State
- State
- Education Level
- Occupation Category

Customer Specific Information

- Primary Purchase Location
- New Customer over this past year
- # of LifeTime Purchases
- Purchase Value
- Total Spend

DEMO

CRITICAL ASSUMPTION #1

PROSPECTIVE CUSTOMERS

Originally, we assumed there were **7** Prospective customers because there were 7 accounts without any \$ spent yet

	P
1	Total Spend
2	0
3	0
4	0
5	0
6	0
7	0
8	0

If you take a closer look at the data, one of the **7** is a “**Deleted Account**”, making “Prospective Customers” **6** people instead of **7**

	A
1	Customer ID
2	---No ID---
3	---No ID---
4	---No ID---
5	---No ID---
6	---No ID---
7	---No ID---
8	---Deleted Account---

If we were to consider this assumption, Total Customers would change as well

Total Customers would now become **94**

CRITICAL ASSUMPTION #2

SEGMENT SHARE (#'S)

Cafe' Segment Share (based on #'s) can vary depending on what denominator you choose to use

	A
1	Customer ID
2	---No ID---
3	---No ID---
4	---No ID---
5	---No ID---
6	---No ID---
7	---No ID---

	L
1	Primary Purchase Locat
2	N/A
3	N/A
4	N/A
5	N/A
6	N/A
7	N/A
8	N/A

When looking closely at the data, all “prospective customers” are classified as N/A under “Primary Purchase Location”

Choosing to consider this assumption would change the denominator for Segment Shares (#'s) to **93** instead of **100**

Changes Cafe' segment shares (#'s) from **41%** to **44%**

CRITICAL ASSUMPTION #3

SEGMENT SHARE (#'S)

Cafe' Segment Share (based on \$'s) will not change

	A
1	Customer ID
2	---No ID---
3	---No ID---
4	---No ID---
5	---No ID---
6	---No ID---
7	---No ID---
8	---Deleted Account---

	P
1	Total Spend
2	0
3	0
4	0
5	0
6	0
7	0
8	0

All “Potential Customers” have a “Total Spend” of \$0

This means, that when add to the sum of ALL sales, they technically won't be counted because they are “\$0”

Doesn't change Cafe' segment shares (\$'s). Stays at **46.64%**

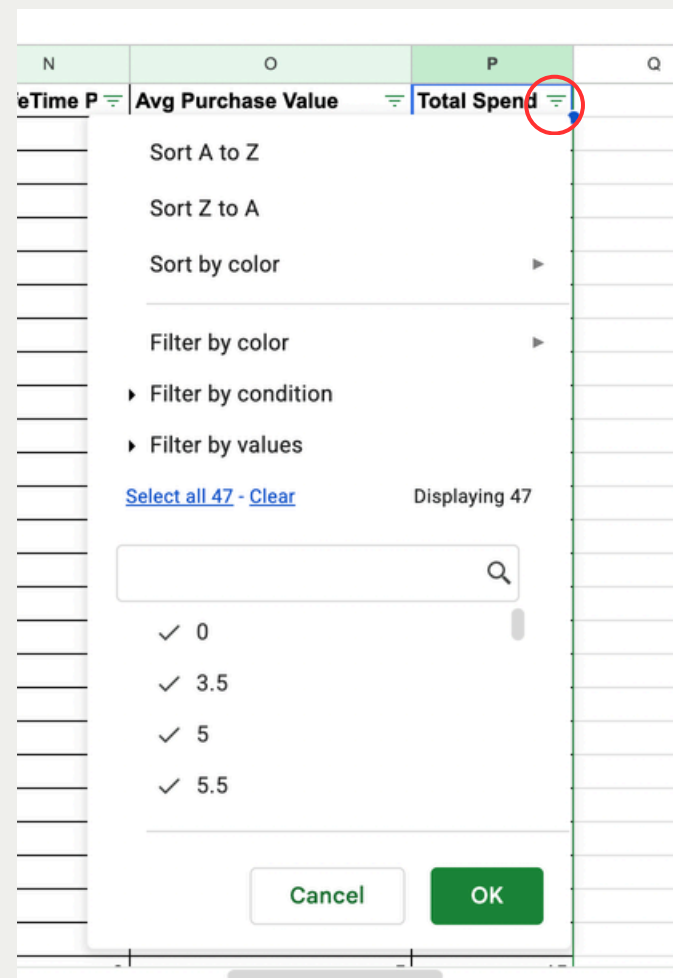
Thank You!

Questions?

APPENDIX

PROSPECTS

Sort “**Total Spend**” column
A to Z by clicking on the
upside down triangle next
to the column header



Highlight all the “0” that
show up in the column

A screenshot of a mobile application interface showing a list of 'Total Spend' values. The list is sorted in ascending order. The first seven rows have a value of 0 and are highlighted in blue. The remaining rows have values of 3.5, 5, 5.5, 7, 10, 11, 12, 12, 12, 12, 14, 15, and 15. A red circle is drawn around the 'Count: 7' button at the bottom right of the screen.

Total Spend
0
0
0
0
0
0
0
3.5
3.5
5
5.5
5.5
3.5
3.5
3.5
3.5
5
5.5
4
6
4
4
4
7
5
5

Total Prospects = 7

**Why do we use Total
Spend to find Total
Prospects?**

Prospects are any
customers in our database
that have yet to spend
money at Starbucks

CUSTOMERS

Total Customers = 93

Total customers in database - Perspective customers

$100 - 7 = 93$ customers

What makes these
“Customers”



Having Current or
Historical Data with
Starbucks

SEGMENTATION SHARES (# OF CUSTOMERS)

Sort “Primary Purchase Location” column A to Z

	I	J	K	L
	State	Education Level	Occupation Category	Primary Purchase Location
CA	NE	Master's		
	FL	Bachelor	Sort A to Z	
	KS	Doctorate		
	ME	Bachelor	Sort Z to A	
	AK	Bachelor		
	IA	High School	Sort by color	
	VA	Some College		
DE	TN	Master's		
	ID	Master's	Filter by color	
HU	MA	Master's		
AR	SC	Master's	Filter by condition	
PPI	MS	Some College		
WA	OK	Bachelor	Filter by values	
A	MT	Some College		
AR	SC	Bachelor	Select all 4 - Clear	Displaying 4
	UT	Doctorate		
	IL	Bachelor		
RK	NY	Doctorate		
RK	NY	Master's		
	AK	Some College		
PPI	MS	High School	✓ Cafe'	
STON	WA	Bachelor	✓ Grocery	
IN	WI	Master's	✓ Licensed Location	
CA	NE	Master's	✓ N/A	
	OH	High School		
MPSH	NH	Associate		
NIA	CA	Associate		
	HI	Master's		
AS	AR	Bachelor		
SLAND	RI	Doctorate		
T	VT	Bachelor		
SEY	NJ	Some College		
DE	TN	High School		
	IL	Some College		

Highlight all “Cafe” data that show up

[illegible]

% of Sales coming from
Cafe's {Based on # of
Customers} = **41%**

$$\frac{\text{Primary Purchase Location is "Cafe"}}{\text{Total Customers}} \times 100$$

$$\frac{41}{100} \times 100 = 41\%$$

SEGMENTATION SHARES (\$ OF CUSTOMERS)

Find the sum of “Cafe” sales by highlighting the rows 2 - 42 of “Total Spend”

Highlight all 100 rows to find the **Total Spend** of **All Customers**

% of Sales coming from Cafe’s {Based on \$of Customers} = **46.64%**

Primary Purchase Local	New Customer over this past year	# LifeTime P	Avg Purchase Value	Total Spend
Cafe	N	1	5.5	5.5
Cafe	Y	2	3.5	7
Cafe	Y	2	3.5	7
Cafe	N	2	5	10
Cafe	N	3	4	12
Cafe	N	3	5	15
Cafe	N	5	3.5	17.5
Cafe	N	5	4	20
Cafe	Y	2	10	20
Cafe	Y	4	5	20
Cafe	N	3	7	21
Cafe	N	4	5.5	22
Cafe	N	4	5.5	22
Cafe	N	5	5	25
Cafe	N	4	7	28
Cafe	N	4	7	28
Cafe	N	6	5	30
Cafe	N	5	6	30
Cafe	Y	6	5	30
Cafe	N	9	3.5	31.5
Cafe	N	8	4	32
Cafe	N	7	5	35
Cafe	N	7	5	35
Cafe	Y	5	7	35
Cafe	N	9	4	36
Cafe	N	9	4	36
Cafe	N	9	4	36
Cafe	Y	6	6	36
Cafe	N	8	5	40
Cafe	N	7	6	42
Cafe	N	6	7	42
Cafe	Y	7	6	42
Cafe	Y	6	7	42
Cafe	N	8	5.5	44
Cafe	Y	8	6	48
Cafe	N	15	4	60
Cafe	N	11	6	66
Cafe	Y	11	6	66
Cafe	N	13	8.5	110.5
Cafe	N	50	7	350
Cafe	N	100	5	500
Grocery	N	1	3.5	3.5
Grocery	N	1	5	5
Grocery	N	1	5.5	5.5
Grocery	N	3	4	12
Grocery	N	2	6	12
Grocery	Y	3	4	12
Grocery	Y	3	5	15
Grocery	N	3	5.5	16.5
Grocery	N	4	6	24
Grocery	N	7	3.5	24.5
Grocery	N	7	4	28
Grocery	N	6	5	30

Keep “Cafe” sorted at the top to make this easier

P
Total Spend
5.5
7
7
10
12
15
17.5
20
20
20
20
21
22
22
25
28
28

$$\frac{\$ \text{ Spent at Cafe's}}{\text{Total Spent across all location types}} \times 100$$

$$\frac{2,135}{4,578} \times 100 = 46.64\%$$

MARKET SHARE

Assume Total Spend \$ for Starbucks as **\$4578**

Total Spend for Dunkin is **\$3,000**

P
Total Spend
5.5
7
7
10
12
15
17.5
20
20
20
21
22
22
25
28
28
Sum: 4,578.00



Simplified Scenario - 1 Nationwide Competitor		
Company	# of Paying Customers	\$Total Spend
Dunkin'	75	\$3,000

Starbucks Market Share = **60.41%**



$$\frac{\text{Total Spend for Starbucks}}{\text{Total Spend Starbucks} + \text{Total Spend Dunkin}} \times 100$$

$$\frac{4578}{(4,578 + 3,000)} \times 100 = \mathbf{60.41\%}$$

CUSTOMER AQUISITION RATE (CAR)

Sort **New Customers over the past year**

M
New Customer over this past year
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
N
N
N
N
N
N
N
N
N

Count: 19

Count Number of “Y”



$$\frac{19 \text{ New Cust.}}{100 \text{ Total Cust.}} \times 100$$

Customer Acquisition Rate = **19%**

Why are we using 100 Total Customers if some accounts were deleted during this period and some don't have purchase history?



Assuming that all customers in the database were customers or will be customers at some point

CUSTOMER AQUISITION COST (CAC)

Starbucks Campaign Spend
Total Active Customers

$$\frac{6000}{19} = \$315.79$$

Customer Acquisition Cost
= **\$315.79**

CHURN RATE

Sort **Customer ID**

	A	
1	Customer ID	F
2	---No ID---	C
3	---No ID---	S
4	---No ID---	C
5	---No ID---	F
6	---No ID---	A
7	---No ID---	C
8	---Deleted Account---	E
9	---Deleted Account---	C
10	---Deleted Account---	S
11	---Deleted Account---	C
12		

Count # of “**Deleted Accounts**” (4)

Use this to find *Retention Rate*



$$\frac{96 \text{ Cust. at End of Period}}{100 \text{ Total Cust.}} \times 100$$

Retention = **96%**

Use this to find *Churn*

$$100\% - 96\% = 4\%$$

4% Churn Rate