

Starbucks Launches "Tweet a Coffee" in Canada

Description

By Cameron Conway

In the ever-brewing Canadian coffee wars, **Starbucks** (NASDAQ:SBUX) last week launched its new "Tweet-a-Coffee" gifting program.

Through its partnership with **Twitter** (NYSE: TWTR), the coffee giant has brought to Canada the ability to give a \$5 gift card to someone through a Tweet. The e-card can then be brought up on your smartphone and scanned by your local barista.

To participate in the program, you must register here to create a Starbucks account and then link it to a credit card and Twitter account. After that, you simply Tweet @tweetacoffee to anyone you like — friends, family, or even your favorite Internet financial writer. Just like that, a \$5 gift card is transported to the recipient's smartphone.

This innovation is an important step for Starbucks as it attempts to enter the digital landscape to draw in both more sales and advertising.

"Advergifting"

By offering this service, the people using it become walking, tweeting advertisers; every time someone sends a tweet to @tweetacoffee, all of their followers see it.

This gives Starbucks unprecedented advertising range and access to market information through everyday generosity. The company no doubt hopes that by offering a small amount (\$5), consumers won't overthink the purchase. It's a low enough number to buy something (usually) and not enough to consult your budget.

The U.S. launch

Starbucks launched this service in the U.S. back in October 2013 and has seen a rather impressive response from customers.

Over the first five weeks of the program, \$183,555 had been spent by 27,000 unique users, of which

34% bought more than one card (according to <u>Keyhole</u>). Also, current Twitter data shows a total of 58,271 tweets have been sent out.

The extra hot, low fat, soy conclusion

With this foray into the digital landscape, Starbucks has taken a rather different step ahead of **Tim Hortons** for the dominance of Canadian coffee addicts.

Through "Advergifting," Starbucks seeks to take advantage of the increasingly tech-savvy Canadian market space. It's able to both fuel people's unashamed coffee thirst and access their precious market data at the same time.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:SBUX (Starbucks Corporation)

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