

MYKOLAS ROMERIS UNIVERSITY
BUSINESS AND MEDIA SCHOOL

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ELECTRONIC BUSINESS MANAGEMENT

**The adoption of digital marketing tendencies
in coffee chain business**
Master thesis

The supervisor –
doc. dr. Mindaugas Kiškis

Vilnius, 2015

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INTRODUCTION

The relevance and novelty of the thesis. At the present day worldwide community has more possibilities to use virtual universe than ever before. The huge impact comes out from modern technologies that eventually are going to implement the whole society in this thrilling digital play. All those who are not familiar with smart digital devices lose big piece of the pie.

Considering the fact that Internet is also recognized not as the latest phenomena, traditional marketing rules are broken. Instead of integrating to previous marketing channels such as printed advertising or newspapers innovative companies focus on seeking for unique and personal relationships, “one-to-one” marketing solutions, personalization and also relaying of huge amount of digital mess. Modern technologies enable to expand the boundaries of usage of social media, introduce newest payments abilities that facilitate purchasing processes, focus on diversity of manners of contents use. Especially important role when creating marketing strategies is dedicated for improvement of electronic services when using mobile devices. As a result online market naturally changes users behavior – digital environment forms new connections with the target audience of particular business and shapes unique customers experience. Meanwhile any business, despite its primary activity, that doesn’t take into account to digital tendencies of marketing is sentenced to lose out all the potential return. If there is such a situation it is necessary for enterprise to figure out what is missing to get into digital universe really fast.

The exclusivity of topic. At first sight business related with restaurants of food or beverage should not feel the lack of digital solutions implementation as they primarily promote exactly live communication. Notwithstanding when analyzing leading brands of coffee productions retailers it could be stated that plenty of such kind of business are seeking to integrate latest digital marketing strategies in order to attract and engage their customers. Regardless this situation it is important to analyze digital marketing tendencies as well as evaluating the impact of them when trying to increase the revenue of coffee chain stores.

The problem: There is scarcity of information when analyzing direct impact of digital marketing to business returns. Difficulties are met when measuring relevancy, benefits or harm of enterprise’s communication online through digital channels and what in this business is affected the most when it starts to integrate such marketing strategies.

Object of the research: Application of digital marketing tendencies to coffee business.

Question of the research: What is the impact of digital marketing trends application to coffee houses development?

The aim: To analyze latest digital marketing trends application while also evaluating the effect of them to leading coffee chain stores in U.S. To offer suggestions related with this kind of business.

The main tasks:

1. To introduce aspects of latest digital marketing trends: conception and global tendencies.
2. To analyze the main features of digital marketing solutions in leading U.S. coffee business and evaluate their using possibilities for development of enterprise.
3. To execute the research of the impact of digital marketing trends application while also evaluating benefits for users experience.

The methods of research:

1. The analysis of scientific literature;
2. The comparative analysis;
3. The quantitative survey.

Practical significance. The significance of the work is specified by qualitative research and user's survey as trying to find out digital marketing tendencies influence for coffee business further development. The conclusions and propositions reveal the practical value that is useful to business owners to facilitate when determining of implementation of digital marketing solutions in the enterprise.

1. THE THEORETICAL ANALYSIS OF DIGITAL MARKETING OPPORTUNITIES IN COFFEE SHOPS CHAIN

Before starting to analyze the coffee chains business field: the essential characteristic and impact of digital advertising possibilities as well as the whole transformation of companies marketing strategies, it is appropriate to analyze the material in theoretical aspect.

As the thesis includes many different perspectives related with consumers consumption habits, company image and the enterprise performance not only in traditional advertisement ways but also on the digital space, it is necessary to analyze marketing techniques adoption processes of interactive communication in live and digital space idea. It is important to investigate the main advertising channels online, possible e-marketing strategies, communication objectives and fundamental role of marketing functions in cyberspace, also to define the elements which determine demand as well as different choices of purchasers.

1.1. The conception of digital marketing and its impact to market

Before starting analyzing digital marketing and its communication aspects firstly it is appropriate to define marketing conception. Many sources describe the marketing definition and approach to it in diversity of ways, but one proposition is unquestionable. From the very first business in public society the marketing as unnamed and invisible tool has played a significant role in developing different kind of trades. Despite the fact that many activities directly related with business and marketing sphere were made from the beginning of business history, many scientist and historians with one voice agree that marketing as essential enterprise discipline was not officially born and recognized until the 1950's. It was the expression of impact of noticeable goods surplus in the market and significant beginning of industry prosperity.

The very first roots of definitions and researches related with marketing science were introduce in USA in the beginning of XX century by author Ralph Starr Butler. While the marketing science in other continents were adopted several decades later. Because of these facts the main approach to essence of marketing science in USA and in Europe differ. Marketing in USA concentrates more on consumers' requirements and their satisfaction, while in Europe more attention is pay on business relationships and collaboration with the whole environment.

The following definitions were approved on July 2013 by the American Marketing Association Board of Directors: Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. While representatives of Europe UK based "The Chartered Institute of

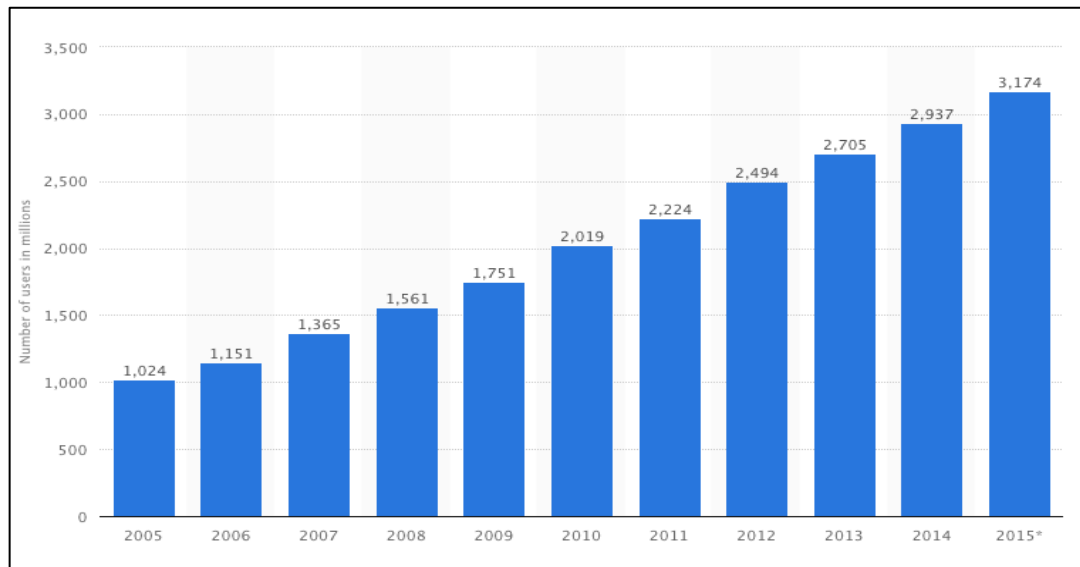
Marketing” (CIM) defines marketing as: the management process responsible for identifying, anticipating and satisfying customer requirements profitably. Marketing encompass plenty of processes that includes, supplying changing of relevant information and creation the biggest value for users, partners and enterprises owners. To summarize one of the shortest and clearest definition of traditional marketing is the one proposed by authors Kotler and Keller (2006): “Marketing is...meeting needs profitably”.

Long-term relationship with consumer became more and more prior because of the some reasons. The marketing from machinery trade moves to micromarketing – most of the markets are reached the phase of maturity. The phenomena of this means that there is no more new users and because of this effect enterprises seeks to share and attract existing customers. That kind of model was applied in B2B - business to business- level. The new trends in marketing enhance attention to individual clients. The user is no more as statistical unit that are straightforward changed. (John Burnet, 2008, p.28-30) Unwritten substantial and simple rule in the business universe still exist: you must introduce your business to the clients or you have no ability to remain in market for the longer time. Regardless of principal attitudes to marketing phenomena some of the rules of the play are applied to digital marketing environment but many of them brings significant changes (P.Kotler and K.L. Keller, 2006). “Digitization changes the physical space, time content, meaning and use of information into a new kind of virtual space. It is difficult to physically visualize the digital impact because by its very nature this is virtual. It is made up of electrons and photons and held in many types of material substrates represented in computer processors units, storage memory and networks in microscopy and nanotechnology level that is far from day-to-day human experience.” (Mark Skilton, 2015, p. 5)

According to Damyian Ryan (2014) the era of digital marketing was born on 20th century. It was the time of the down of another new advertising age - the Internet were introduced to the market. It began moving out of the realm of traditional technologies and is recognized as especially valuable tool for business communication and masses. Through this force of Internet phenomena advertisers were able to reach their potential consumers in completely novel way.

The leading statistic portal online “Statista” describe digital marketing as direct or mediate presentation of product, services or business for more than 3000 million of permanent internet users in the world who are searching for information online. It is a kind of process when cyberspace became effective and prosperous environment for business development and promotion of sales (72).

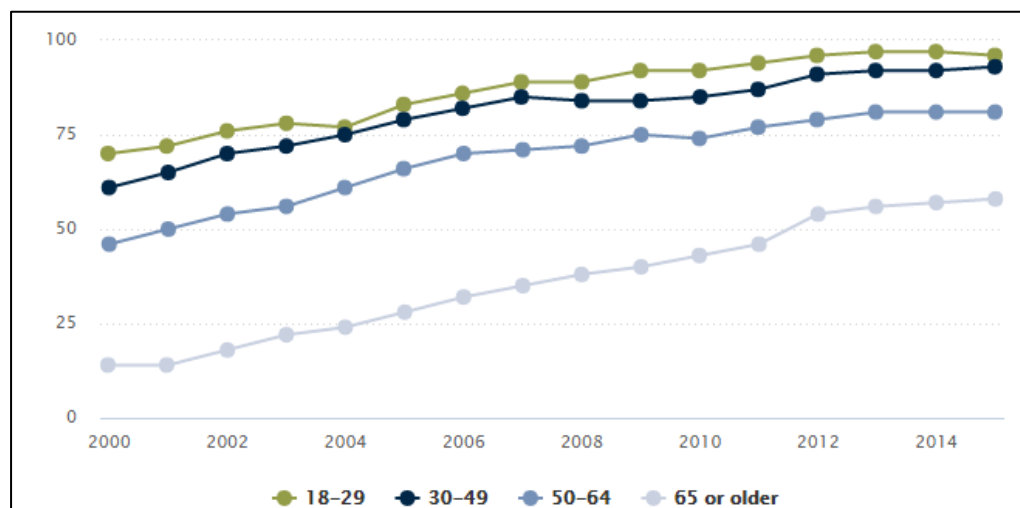
The statistic bellow gives information on the total number of worldwide Internet users from 2000 to 2015 (Fig. 1). As of the most recent reported period, the number of Internet users worldwide was 3.17 billion, up from 2.94 billion in the previous year.



Source: <http://www.statista.com/statistics/273018/number-of-internet-users-worldwide/>. Seen on: 3rd, September 2015

Figure 1. **Number of Internet users worldwide**

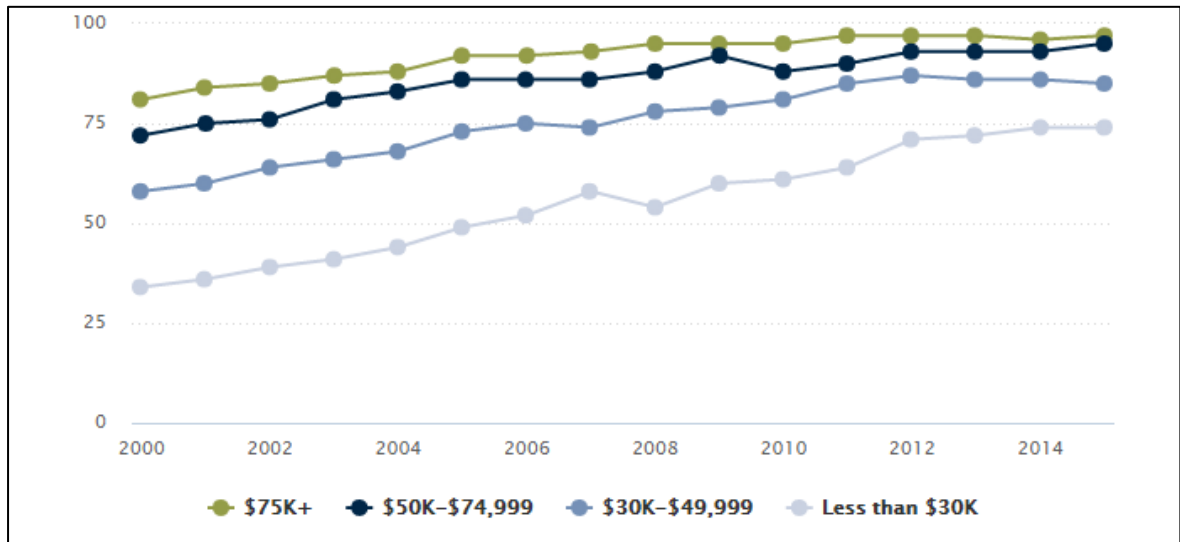
In addition the analysis of “Pew Internet” has highlighted some tendencies related with Internet usage from 2010 to 2015. For particular groups of citizens, especially for young adults that already have some kind of high education the Internet penetration is fixed at the highest rates - it means at full saturation. The other groups such as older adults with poor levels of education and those with lower incomes reveals lower rates of penetration but with steadily growing numbers during the last few years. Analyzing this it could be stated that in 2015 “digital gaps” in U.S. society still exist. Young adults are more tend to use the Internet while the seniors expose faster rates of adoption of it (36).



Source: <http://www.pewinternet.org/2015/06/26/americans-internet-access-2000-2015/>. Seen on: 3rd, September 2015

Figure 2. **The Internet usage of adults in U.S.**

The chart above revealed the percentage of adults that are using the Internet in U.S. (Fig. 2). In 2000 barely 70% of 18-29 years old persons were using the Internet and that amount during the year of 2014 has reached 96% in the mid of 2015. Moreover 58% of seniors that are 65 or older, use Internet at current time while in 2000 just 14% of such age persons were familiar with it. Another sharp difference is based on amounts of households income (Fig. 3).



Source: <http://www.pewinternet.org/2015/06/26/americans-internet-access-2000-2015/>. Seen on: 3rd, September 2015

Figure 3. The Internet usage in U.S. by households incomes

Citizens with an annual income of at least \$75 thousand per year are the most tend to use the Internet, with 97% of adults in this group currently reporting they are internet users. Those living in households with an annual income under \$30,000 a year are less likely to report internet usage, with 74% of adults doing so now. These tendencies of Internet usage during the last few years remain the same, although the new important factor came up in the market – the significant rise of the smartphones. This affected the access to Internet to persons with lower income. As a result „Pew Research” found that people with lower-income are directly related with “smartphone-dependency” when considering the process of Internet usage (36).

Evaluating the date it could be stated that interest in electronic environment is growing at especially fast pace, but it is important to understand that digital channels and electronic marketing it is not only the target for direct purchasing of advertising online. An important aspect of digital marketing is technique and the way of communication with target audience. It is the connection with consumers through diversity of digital media channels. Promotional efforts made through Internet, social media, forums, blogs, newsletters and electronic billboards as well as via digital television or radio channels. Continuously it is the way to update information in timesaving expenditures. It could be defined as executed advertising techniques entirety of enterprise. One of the main axis of electronic marketing is the website or mobile version of website used through smartphone. While checking the particular

information or data the vast majority of consumers according the frequency are tend to examine the internet site of company at the very first place. It is relevant place in cyberspace, which shape the main image of the enterprise or association (WSI, 2013, p.29-35).

Moreover one of the main merits of the digital marketing – for the effective advertising campaign, there is no necessity for investment of millionth budget. The competition level between the creators and IT specialist is especially high. Because of this owner of the company has ability to take very sophisticated online marketing strategies and deploy them with budget affordable at any size (Berkley, 2010). Therefore digital marketing assist to reflect direct needs and requirements of the marketing. The main aim of marketing – to reach the target audience, promote clients to respond while collecting and involving the relevant information to marketing database. It is the method of striking a deal with potential clients. Different models of digital advertising are able to achieve the peak from all direct forms of traditional advertising. The situation is determined by some factors:

1. The expenses in cyberspace for particular place differ from investment to traditional measures.

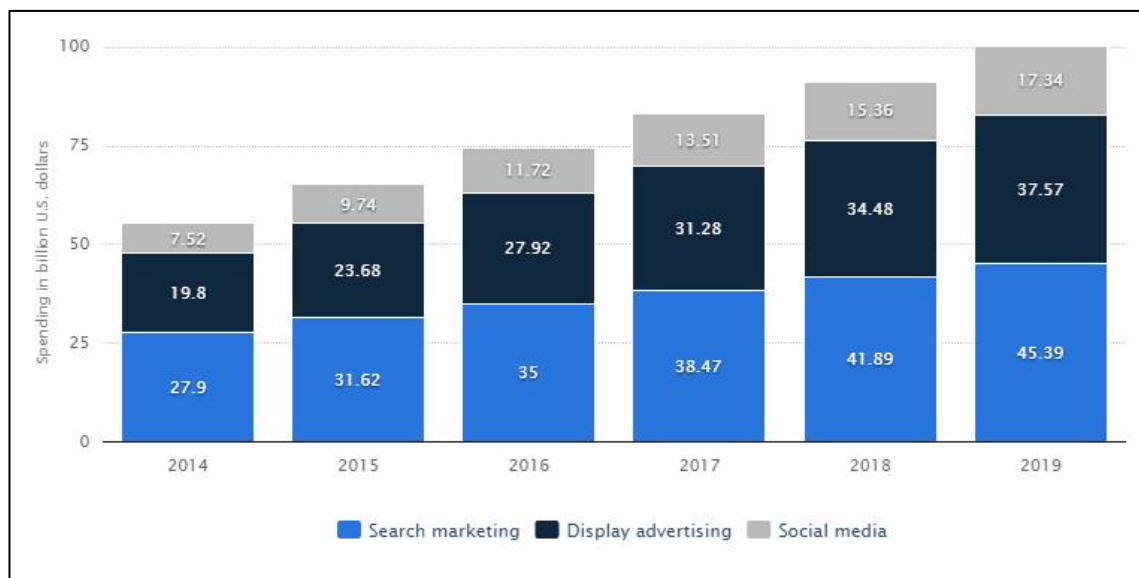
With some online marketing tactics the space in the Internet can be measured on the fixed cost, despite the level of users are attracted. For instance – there is no limit on users number while visiting website of the company. If the number of users is rising the supposed cost for one user consider as decreasing. The amount of interest clients depends directly of the content of website or advertisement online. This kind of expenditures for online marketing solutions are considered as the minimum compared with traditional ways of advertising while in many case advertiser must pay for every reached client and company experience variable costs.

2. Unlimited cyberspace - there are more space than necessary in the Internet. Plenty of digital marketing solutions and abilities to enter still new and new places online. For instance - advertising on partners websites considered as affiliate marketing is really widespread solution and proposition between business partners and associates. The ultimate advantage of that strategy - unlimited expandable network of advertising online. The other feature of this digital marketing strategy – expenditures is related more with variable cost. In some case owner of advertising campaign pay for the exact quantity of interest clients on cyberspace (WSI, 2013).

According Damian Ryan (2014) the global market penetration of digital channels is increasing in high rates. The target audience network grows rapidly and the marketers as a result seek for the most innovative solutions online. The international remarkable companies take the cyberspace and digital channels seriously – the experts of well-known brands loose the purse strings and redistribute their advertising expenditures.

The fast pace of these changes force to think because of importance of accepting the right decisions on-time. The possibilities online are barely unlimited but that does not guarantee the quality and impact of them to the market. It means technologies and their development themselves are not able

to change overall digital marketing environment while professional marketers are not ready to control these digital resources. “In a nutshell, we’re living in a rapidly changing world where ‘on the fly’ collaboration sessions involving voice, video, and data sharing are becoming commonplace. Executives and employees have their expectations set high when it comes to supporting collaborative communication within an organization” – states Jeremy Cioara of “CBT Nuggets”, a company devoted to technological advancements. Also according digital analytics online “Smart insights” the digital marketing strategy the company are embraced are able to be outdated. That it is why it is important to be familiar with relevant changes that are happening now and how those changes are affecting the company. The research performed in beginning of 2015 estimates that enterprises will be increasing their digital marketing budgets by an average of 80% during the next few years to keep up with global changes. As a result the forecast for marketing departments recomend to keep an eye on new kind of employees. It means that digital marketing specialist would be talented not only in digital marketing but also in new technologies understanding and their implementation. The main question is how to deal with increasing cash flow in the budget that they will be used in the right direction of company’s development (68).



Source: <http://www.statista.com/statistics/275230/us-interactive-marketing-spending-growth-from-2011-to-2016-by-segment/>. Seen on: 4th September 2015

Figure 4. **Digital marketing spends in U.S. market (billions of dollars)**

Although there are still areas for traditional forms of advertising such as print and for instance direct mail as well as television the main goal of that kind of campaigns often focus on leading your potential clients direct to your site. „Statista“ present the prediction of future spending in digital marketing three main segments: search marketing, display advertising and social media. (Fig. 4). Search marketing spending is expected to reach up to 45 billion U.S. dollars during the next few years, up from 27.9 billion spent in 2014 (72).

1.2. The main goals of digital marketing communication

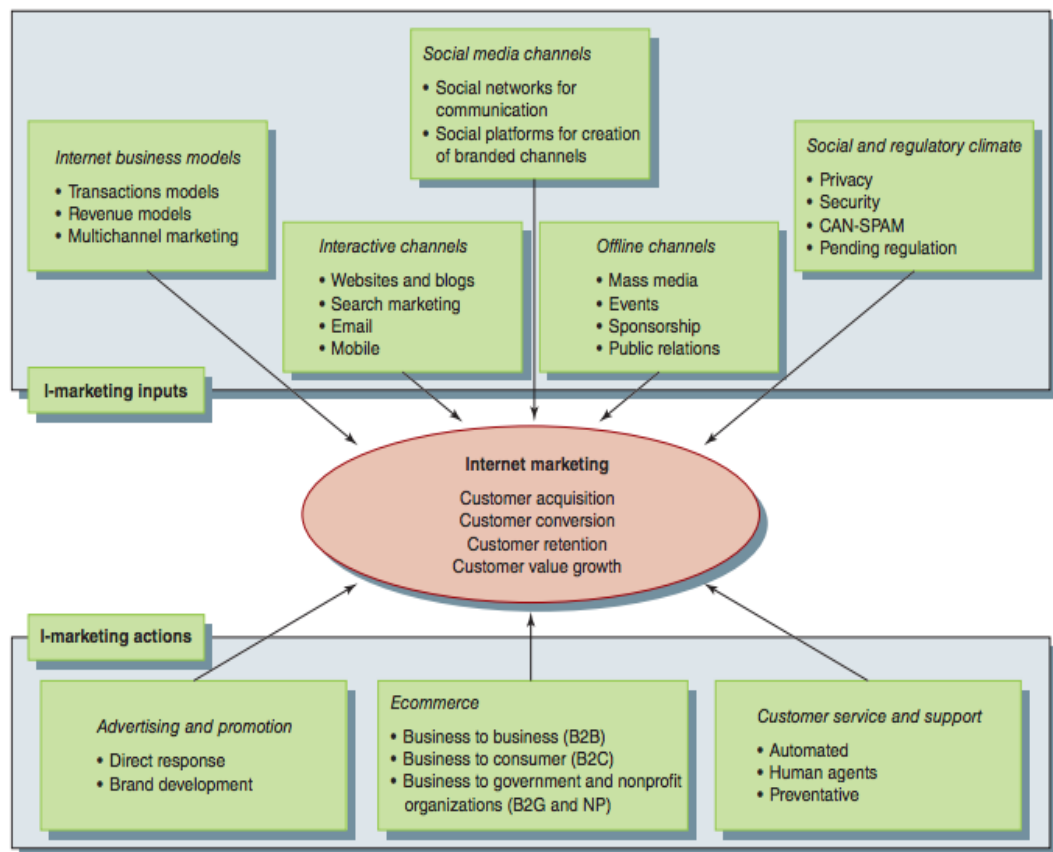
The phenomena of Internet and its rapid adoption among society bring significant impact on various aspects including the shift paradigm in marketing communication. When analyzing digital marketing conception it is useful to describe the definition of Internet marketing paradigm. Meanwhile the definition of paradigm in class way is described as: “Universally recognized scientific achievement that for a time prove models problems and solutions to a community of practitioners.” (Thomas S. Kuhn, p.14, 1996).

According Mary Lou Roberts and Debra Zahay (2013) Internet marketing paradigm is explained as a sophisticated environment in which marketers seek to achieve four common objectives goals:

- 1. Acquisition of consumers.** It is a key objective and marketing foundation - general purpose of all market experts. In order to grow target audience of particular business, the companies must find the solution how to attract at first and manage continuing stream of new customers. Digital marketing supplement with plenty of electronic communications channels and a variety of modern Internet techniques to the client’s acquisition attempts.
- 2. Customers’ conversion.** It is the continuing process of persuading of discrete users and visitors to become real clients. The procedure of conversion must to engage the audience, who in some ways had a contact with promoter. It is enough for the customer to visit the website of the company or to make a purchase online. The process of engagement includes activities and interactions which usually begin with subscribing to a newsletter, that later could lead to purchase product or services.
- 3. Customer retention.** It is the method of transforming the new prosperous client to the loyal one. It is the conception of engaging with company for long-term relationships and became faithful purchaser. Marketing researches ensure that is less expenditure for retaining the clients than to acquiring. As a result the main efforts should be made on process of professional retention.
- 4. Customer value growth.** The meaning of equity of company customer base described as last goal of the processes mention prior of this one. The process of capturing the data with information that let enterprises understands what are the most important aspects for loyal customer. Magnitude is on focusing attention and investments to your most valuable customers. Importance is for allocating growth capital through novel products and propositions that could serve for your best clients.

Especially sophisticated environment for implementing four main objectives mentioned is designed of two surroundings: external part of environment practice as well as of executed actions of

marketers. This phenomenon is defined as combination of inputs and actions of digital marketing environment. Both parts: external activities and actions describe the essence of the system (Fig. 5).



Source: <https://www.cengagebrain.com.au/content/9781285212883.pdf>. Seen on: 3 September 2015

Figure 5. **The Internet Marketing Paradigm. Inputs and actions of digital marketing environment**

The scheme formed and presented by “Cengage Learning” describes the essence of Internet marketing paradigm (M. L. Roberts and D. Zahay, 2013). It is a model that presents the workflow of digital marketing. Marketing inputs and marketing actions includes relevant components that combine the entirety of the Internet marketing interactions in widely used cyberspace. All these separate units of the scheme are closely related with commutation characteristics and electronic operation techniques. It is essential to analyze the plan of Internet marketing before examination the digital communication techniques. The substance is that the paradigm reveal customer acquisition, conversion, retention and operating principle of clients value growth.

The overlapped and interrelated information technologies design the whole environment of electronic marketing channels and revealed the essence of the internet marketing as well as the emphasize the impact of information technologies infrastructure importance for digital internet further development (M.Skilton, 2015).

Many of researchers agree that digitization brings much more possibilities when reaching different adapted goals of enterprises. “The challenges to marketing are based on the premise that the

enormous changes we face do not pose the threat but an opportunity to revitalize marketing and increase its relevance and impact on business, society and our lives. The innovations we experience every day from Google, Facebook, Twitter and numerous other innovative firms and individuals and the change we advocate, suggest new marketing paradigm that is the beginning of the golden age of marketing.” (L. Moutinho, Enrique Bigné, A.K. Manrai, 2014, p. 23).

1.3. The analysis of the trends in digital marketing

“Today many companies are strapped for resources and they need to be extremely selective about technologies they fund deploying NIT in way that are the most relevant to their businesses and strategic objectives, including their sales and marketing efforts.” (Angela Andal-Ancion, Phillip A. Cartwright and George S. Yip, 2013)

Millions of investments to sophisticated websites solutions, software packages, broadband networks, mobile communications and other digital technologies are made every minute worldwide. These spends of enterprises helps to benefit for a particular – limited time and keep abreast of rivals which devote similar amount of expenditures. The main aspects that provoke the continuous process of digital marketing evolution and fast digital transformation in communication field with clients are related with especially fast growing of IT and it’s capabilities as well as increasing attention to content marketing and variety of options in conducive environment of multimedia channels.

1.3.1. The evolution of IT and interconnectivity

This is comprehended as natural users and customers IT updates adoption. Through this process experience is gained easily and kindly by personal client’s incentives. Customer asset becomes facilitation of reducing irrelevant obstacles and getting satisfaction of using future technologies. Networked digital technology enable users to connect with each other in the easiest way through instant messages (IM), email, mobile messaging, website based social network platforms or combination of these platforms. Like-minded people interact with process of designing new virtual relationships. Peer – to – peer interaction consolidates existence of social networks and creates new modern communities (Damian Ryan, 2014).

The other side is especially significant for clients: the increased power of search engines and the ability to filter relevant and irrelevant content. The other side of the coin - commercial messages of marketers can be blocked or hidden by intent of users. Recent findings figure out that globally, usage of ad blockers grew by 41% (Q2 2014 - Q2 2015). Forecast for the future of the end of 2015 -198 million users treated as active users for the major browser extensions block ads. (“The cost of Ad blocking. Page Fair and Adobe 2015 Ad Blocking Report”, 2015, p.4)

The supplement of this approach is state by researcher of “Forbes” (K. Badenhausen, 2015). According them future marketing will extremely high potential as well as have to deal with too many low-quality adverts online that user consider being irrelevant and even annoying factor in cyberspace. Prosperity of ad-blocking technologies is significant sign that the result could be paid for content advertising forms.

Regardless of growing rates and demand of software of advertising blogs information technologies contribute in list of advertising strategy and solutions – creating retargeting campaigns online, enable to incorporate a tiny tracking element on the website to monitor traffic of all visits including those without purchasing. Way out - an outside advertising campaign placement is on another websites. The point of marketing tactic is remind about enterprise production and services for the same customers – online advertising chase the client. This type of advertising is directly connected “Google AdWords” and “Facebook Ads” and other advertising platforms rapid development (60).

Digital users lead the dance in modern life - this phenomenon is implied as possibility to measure individual experience of customers with many metrics online as “Google analytics”, “Facebook insights”. Analyzing this is useful to be familiar with KPI - key performance metrics that focus on informative indicators of how company is operating when achieving the goals raised and at the same time provide enterprises with specific and detail information of users activities – the customer journey. The outcome of this aspect is paying more attention to separate clients from each other and increasing of investments for tracking that kind of information.

According (D. Chaffey and P.R. Smith, 2013) application of IT and Internet made marketing instruments customized. These instruments became especially important when building and maintaining customer relationships. Another important aspect is amount of devices used for direct use of Internet.

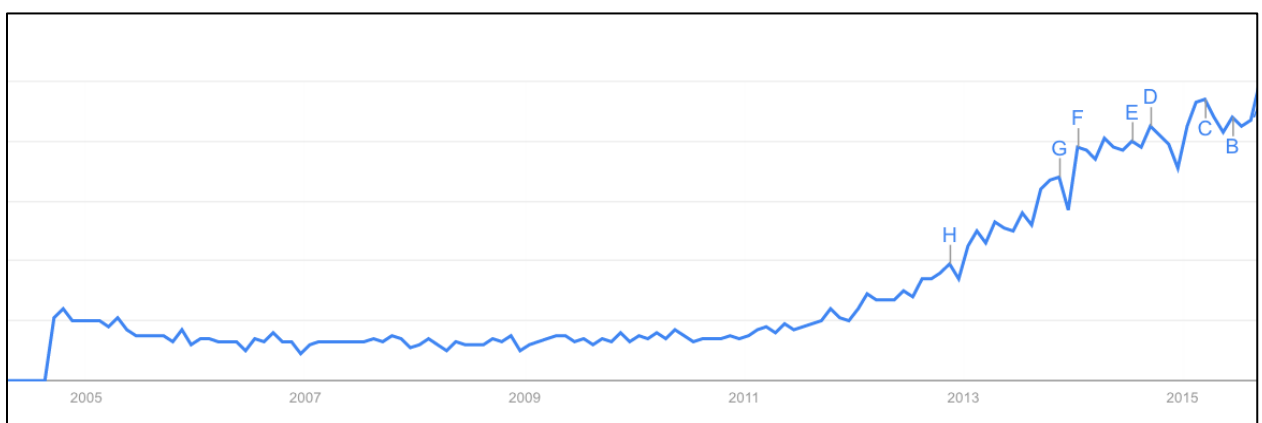
1.3.2. Content marketing

Joe Pullizi (2012, p. 116) state: “Opposite to advertising, which is generally transmitted around someone else’s content, content marketing is the creation of valuable, relevant and compelling content by the brand itself on a consistent basis, used to generate a positive behavior from a customer or prospect of the brand.”

Direct marketing strongly emphasize direct communication, while e marketing is like integral strategy based on individual customer behavior. The latest development trends of marketing reflect a shift from transaction orientation to relationship orientation. Increased attention to personal relationship had consequences for execution of marketing activities – particularly communication (Robert W. Palmatier, 2008).

Many of marketers approaches agree on that content marketing encompass other forms of digital marketing and is widely used in B2B and B2C business models for building relationships with customers or growing the overall image of brand. It is suitable to use for short-term advertising campaigns as well as for long-term objectives of the enterprise (M. Rappa, 2010). These researchers of content marketing identify several main objectives related with the essence of content marketing: lead generation, brand awareness and brand-building. Oneself the content as the component is treated as special element of inbound marketing technique. As a result content marketing is recognized in many different digital forms from web pages to rich media: corporate magazines, newsletters, blogs, videos, webinars, podcast and even fully functional media sites (Geraint Holliman Jennifer Rowley, 2014). As the prosperity of content marketing existence is directly related with digital solutions and ability for more companies to be a publishers the definition of American Marketing Association (AMA) reflect the straightforward understanding of such marketing form: “Digital content marketing is the activity associated with creating, communicating, distributing, and exchanging digital content that has value for customers, clients, partners, and the firm and its brands.” The assimilation between content marketing substance and the creation of value for customer is inherent. Earlier tricks of advertising as discounts are moving outside the bounds of clients’ interest. Hence the content can serve as special key to reach the client while it is adopted in plenty of digital techniques (44).

According to “Google Trends” one of the fastest growing term observable in the marketing field is the term “content marketing” (Fig. 6). Numbers on the chart represent interest relative to the highest point on the chart. This does not convey the total absolute volume on the globe but rather depict searching trends. A line going downward represents that search term's relative popularity is decreasing. This is not like the total number of searches for the “content marketing” is decreasing. The graph depict particular keyword popularity is decreasing compared to other searches (60).



Source: <http://www.google.com/trends/explore#q=content%20marketing> Seen on: 27 September 2015

Figure 6. The relative growth of “Content marketing” on google search engine during the period 2005-2015.

To summarize the one of the future forecast trends is the growing interest in content as special element in marketing in developing business area. Marketing researches interpret this phenomenon that especially now customers' needs not confusion and real mess while browsing online, but pure information, an objective opinion of publisher as well as benefit firstly provided for themselves – clients are on the top of the peak and the rules in advertising are changed. Consequently digital content marketing is the concept that modern enterprises in order to attract and retain their clients should think and act as real media companies and be not but treat as professional publishers in the market.

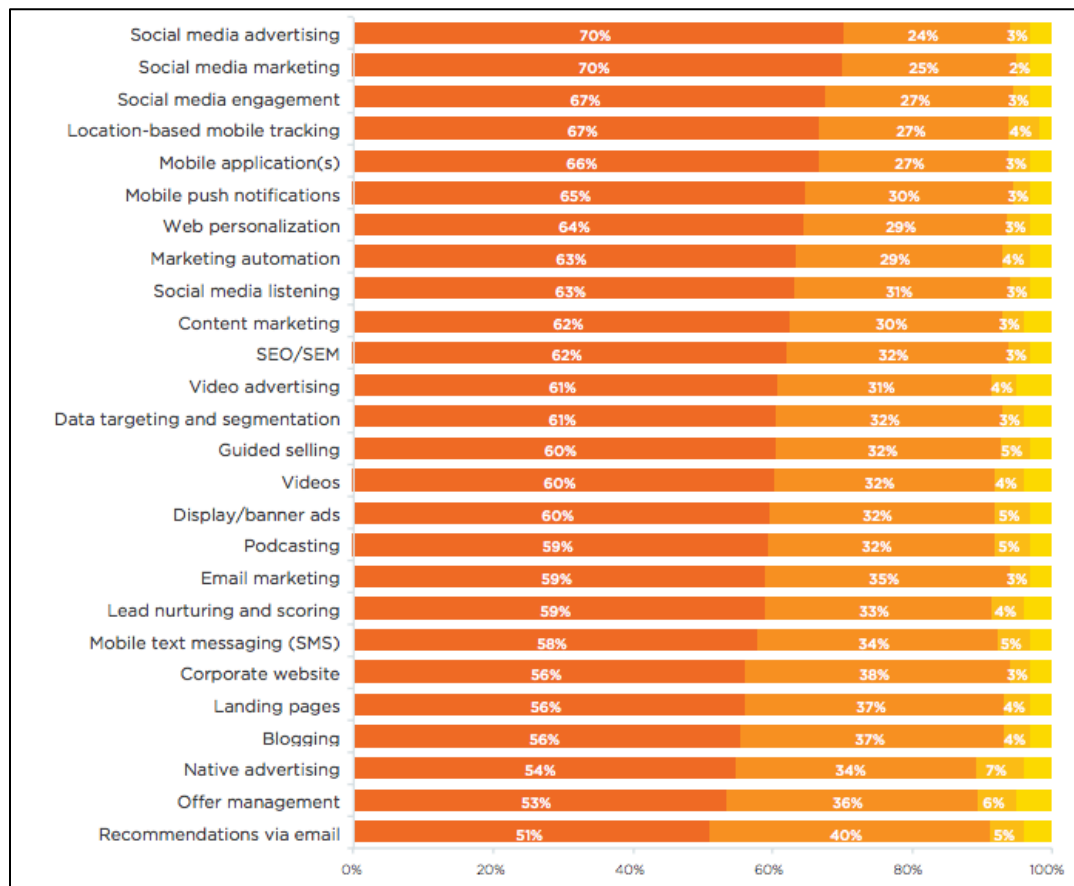
1.3.3. Instant development of multimedia channels and strategies

“The media industry has undergone a fundamental shift over the past decade as new online distribution channels have proliferated in an unprecedented manner. Although mobile devices have experienced rapid adoption among consumers, their effect on consumer behavior and their subsequent implications for publishers and advertisers has yet to be understood.” (J. Xu, Ch. Forman, J. B. Kim, and K.V. Ittersum, 2014, p. 97)

Analysis of latest statistics reveals that on the top of electronic media television is still the most powerful channel. According the leading statistics portal “Statista” (2015) and their survey conducted collaborating with professional digital consultants “Deloitte” published data the process of multitasking while using particular media channel and browsing on another devices, takes significant place in marketing area as well. Survey conducted in 2014 November revealed that vast majority of those watching TV surfs the web, writes emails, use mobile devices or play video games. Only 10% of respondents do nothing more while watching television. Similar scenarios of multitasking while reaching particular media channels are noticeable especially while driving cars or performing others everyday tasks.

Analyzing result revealed that top areas for hugest amount of investments of marketers worldwide are dedicated for social media areas. These tendencies in digital marketing reveal the lasting process of constantly evolving quantities of users not only in social networks but as well growing demand in social themes, interests in communication platforms, features of IT and social network development and overall - social subject-matter (WSI, 2015). Social media as phenomenon are closely related with content marketing prosperity. This idea was introduced even earlier researchers of marketing Dave Chaffey and PR Smith (2013, p. 277) who state: “Social media engagement should be based on a sound content strategy. Remember: content must have intrinsic value; content is a key value of your online value proposition; you must define it's relevance to customers – help them live their lives and do their work better. “

The growing attention and future investments of enterprises to media channels and strategies is depicted in chart below (Fig. 7). Social media advertising, social media marketing and social media engagement had the highest ratings in future spent plans. The first gap represent the most interest to particular aspect, while the last one – is decrease of investment to particular marketing area. The statistics reveal the importance of social media channels and strengthening position of mobile marketing. More or less more than 50% of enterprises owners in 2015 increase investment to main digital media channels. The rate from 24 till 40% companies leaves investments the same and just a tiny part of companies are going not to increase their spends. The chart provides the detailed information of future investments of 5000 leading marketers worldwide. This data-centric approach to digital marketing techniques reveals positive future to digital marketing communication channels from advertisers approach (52).



Source: <https://www.salesforce.com/form/marketingcloud/conf/2015-state-of-marketing.jsp>. Seen on: 27 September 2015

Figure 7. Investments in 2015 budget of 5000 investigated companies worldwide

In conclusions digital media become synonymous with innovative technologies either it has effect for lasting ineffaceable impact for society. Multimedia reveals significant features of personalized content as well as supplements it with relevant visual environment elements. The most

modern forms of multimedia channels give possibility to enhance customer experience and develop its' capabilities in novel ways when designing new concepts inspired by users. Hence it is user-orientated and data driven, besides it provides with possibility to customer to interact invisibly and be active player in the whole enterprise development issues and strategies.

1.3.4. Mobile marketing

The approach of investigators of mobile marketing in recent history revealed that a mobile device was recognized as an especially promising marketing tool. As a result branch of mobile marketing was seen to be capable to support and cope with the main marketing provocations raised: engaging time and attention of the target audience (Pousttchi, K., & Wiedemann, G. 2010). The American Marketing Association (AMA) marketing describe mobile marketing as “the process of planning and executing the conception, pricing, promotion, and distribution of ideas goods, and services to create exchanges that satisfy individual and organizational objectives”.

In the earlier decade marketers prophesied the trends of future communications that have precise evidence and substantiation of effective deployment in latest marketing techniques at a present day. Analyzing the process of purchasers product research phase, the digital data is the main source for particular information for users. Researches in the USA and in Europe revealed respectively 82% and 71% of purchasers begin the process by browsing relevant information online before proceeding a purchase. Searching for information about products on the Internet becomes more usual comparing with directly raising the questions in a physical retail store. In the selection phase, consumer journey is increasingly made of both on- and offline experiences (Roland Berger, 2013).

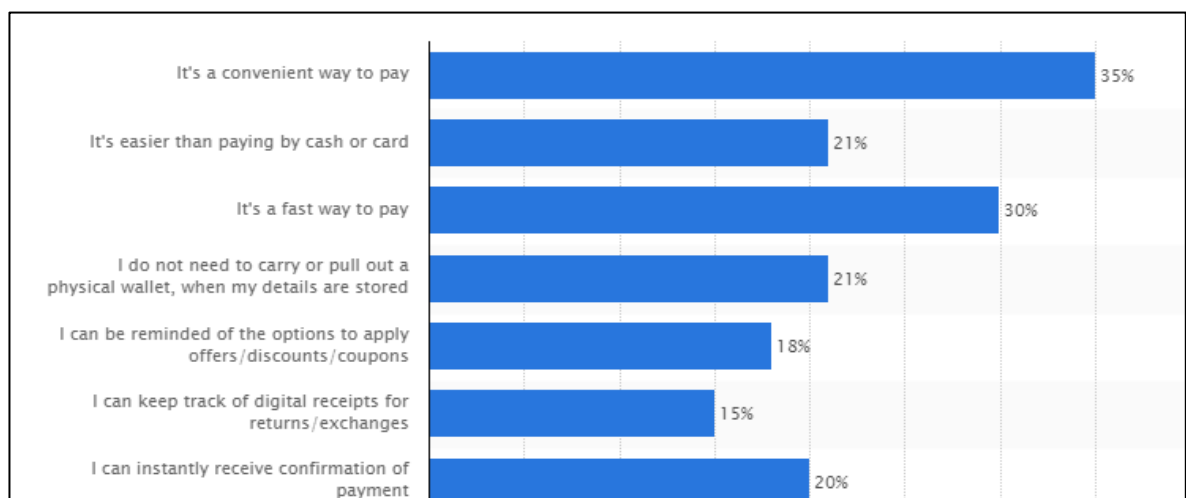
It is easy to prove that mobile marketing has reached its peak as predicted. “Today there are more than 3 billion people online, and mobile access to the Internet will be instrumental in bringing the next billion people online” state Kathy Brown President and CEO of “Internet Society” in annually “Global Internet Report of 2015”.

One of the main reason of extremely rising amount of users of mobile devices is to connect to audience you care about the most. To do it not only by making a real call or sending text message, but important aspect is using more and more smart and sensible social media apps and plenty of innovative connectivity and communication with consumer forms. "As mobile devices are personal communication tools, they are platforms for word –of-mouth marketing. For instance mobile viral marketing is tremendously attractive solution for marketers” (Pousttchi, K., & Wiedemann, G. 2010, p. 382) Mobile marketers create the feeling of discovering their consumers' needs and desires at the very first and especially accurately.

Mobile marketing association (MMA) pick out the most important techniques of the list of mobile tools platforms and applications introduced in mobile marketing environment:

- Mobile video, display, audio advertising;
- Mobile websites;
- Mobile applications – apps not to be confused with mobile websites. App is software programs that can be download on smartphone or tablet;
- Response codes. Codes scanned with mobile apps to reaching particular information. Most used is QR codes scanner used by 50 percent of users;
- Mobile search marketing;
- SMS or MMS – short message services and multimedia message services enables to sent text messages or rich media;
- Location based marketing;
- Near field communication (NFC) – similar to Bluetooth. Uses small chip embedded to connect wirelessly based advertising (30).

Today almost 66% of U.S. citizens has a smartphone. Moreover 19% of them use a smartphone for reaching online information and other relevant data as well as for constant staying connected to the world. This could be because because they lack some devices at home, or most probably because of other circumstances: they have several options for Internet accessing different from their mobiles. For the most of U.S. citizen's smartphones is as an irreplaceable connection to the world of digital information (33). Answering the question why mobile device users are so addicted to the use of mobile one of the factors is payment applications. During the survey completed by "Statista" it was revealed that 35% of mobiles or tablet users submitted the approach that payment apps is one of the conveniences when making purchasing (Fig. 8).



Source: <http://www.statista.com/statistics/411237/mobile-app-payment-benefits-offline-online-global/>. Seen on:

27 September 2015

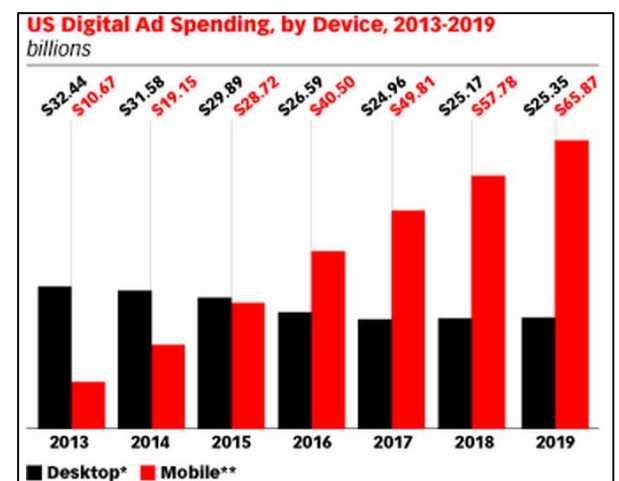
Figure 8. Mobile App payment benefits

Other features evaluated the most by users answering – what benefits mobile payments provide were such as: fast way of payment, it facilitates purchasing process and just it is easier. All in all it is obvious that payment through mobile devices is going to grow in the nearest future (30).

For successful customers engagement it is used some or mix of mobile marketing tools and strategies – to reach all the customers in the most possible ways. According to Internet Society Global Internet Report (2015) some special causes naturally contribute to extended growth of mobile marketing. Analyzing high global penetration of mobile devices, adoption of mobile devices with larger screens, and higher connection speed through not only 3G but also 4G. The aspects of stunning characteristics, advanced features such as location awareness and factors of mobile communication solutions determine the prosperity and the impact of the development of smartphones that allow mobile marketing grow.

Marketing researches online “eMarketer” state: “Mobile ad spending continues to increase at the expense of desktop, taking more and more share of marketers’ digital ad dollars, according to new figures from “eMarketer”. In 2015, mobile ad spending in the US will increase 50.0%, reaching \$28.72 billion and accounting for 49.0% of all digital ad spending. By 2019, mobile ad spending will rise to \$65.87 billion, or 72.2% of total digital ad spend. Next year will be the tipping point where mobile ad spending surpasses desktop.” (Fig. 9).

US Mobile Ad Spending, 2013-2019							
	2013	2014	2015	2016	2017	2018	2019
Mobile ad spending (billions)	\$10.67	\$19.15	\$28.72	\$40.50	\$49.81	\$57.78	\$65.87
—% change	120.0%	79.5%	50.0%	41.0%	23.0%	16.0%	14.0%
—% of digital ad spending	24.7%	37.7%	49.0%	60.4%	66.6%	69.7%	72.2%
—% of total media ad spending	6.3%	10.8%	15.3%	20.4%	23.9%	26.3%	28.6%
<i>Note: includes classified, display (banners and other, rich media and video), email, lead generation, messaging-based and search advertising; ad spending on tablets is included</i>							
<i>Source: eMarketer, March 2015</i>							

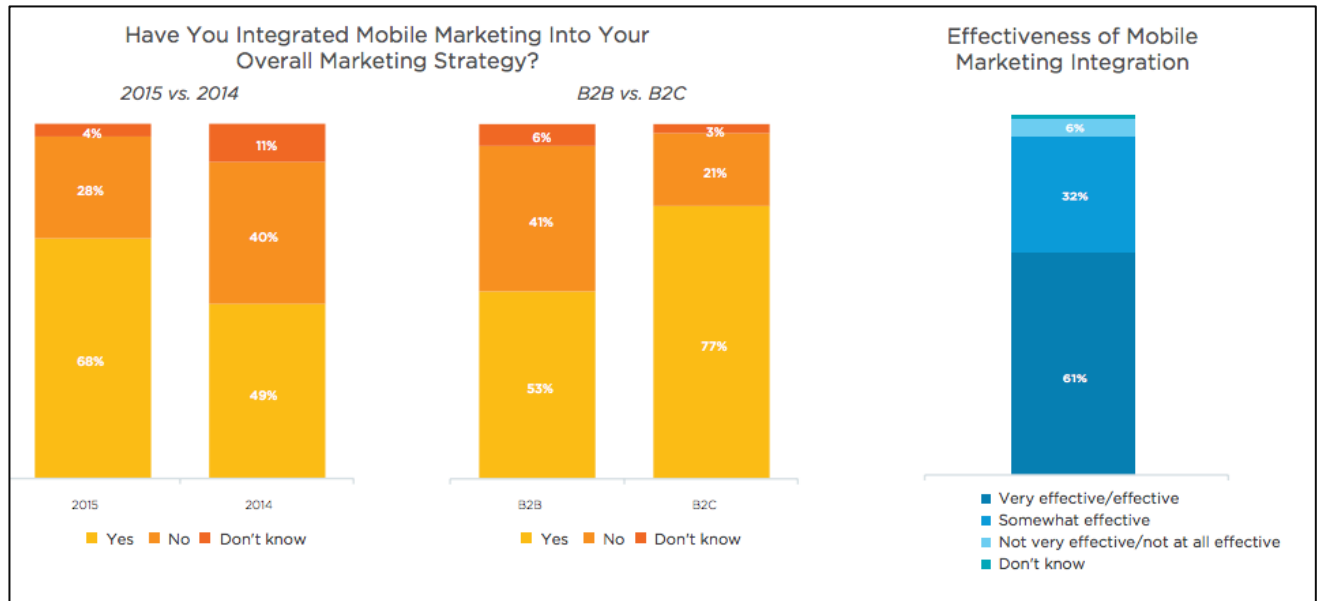


Source: <http://www.emarketer.com/Article/Mobile-Will-Account-72-of-US-Digital-Ad-Spend-by-2019/1012258> Seen on: 27 September, 2015

Figure 9. Estimated U.S. Mobile Ad Spending 2013-2019

According report “2015 State of marketing” successful customer journey needs to supplement mobile solutions in modern business marketing strategy. Surveys of marketers figure out that 68% of companies have already integrated mobile decisions in their marketing strategies (Fig. 10). In

comparison with 2014 only 49% were integrated digital mobile solutions. These mobile activities in marketing strategies includes: mobile applications, location based functionalities, notifications etc. Moreover business to customers model (B2C) outperforms business to business (B2B) category in ratio of 53% and 77% - as those that have already integrated mobile solutions to their marketing strategies. Continuously the evaluation of effectiveness factor of mobile integration is valued as “Very effective phenomena” by 61% of respondents and „Sometimes effective“ by 32% of marketers. This data reveals the future tendencies in mobile marketing growth and could be appreciable as one of the most significant aspect to be implemented in variety of business and their marketing strategies.



Source: <https://www.salesforce.com/form/marketingcloud/conf/2015-state-of-marketing.jsp> Seen on: 27 September, 2015

Figure 10. Evaluation of mobile marketing importance and effectiveness

In conclusions full mobility is at the heart and the next goal of the mobile marketing. Future of mobile is design on the peak of all mobile voice networks. This affect the process of devices and Internet elements development - makes the digital space of mobile integral to its features empowering all around the world. Significant fact is that the features of the mobile devices at current time are mixed with the increased usage of mobile applications and this process is changing the fundamental nature of the whole internet as well as bringing new worries related with privacy and security questions in digital market.

1.3.5. Targeting on individual costumers attention

S. Thales (2014., p. 19) states that the main understanding of advertising marketers should stop ask “What do I want to achieve from the advertisement?” and start asking “What can my

consumers achieve if they share the advertisement?” then they start the process of creating truly consumer centered advertising, that which benefits the consumer’s social needs.

The conventional rules of games in digital marketing are changing pretty fast not only because of rapid development of IT, but of principles how to attract diminishing attention of customers. The cyberspace is full of novel advertising forms as well as amounts of spam. As well no longer the powerful way of ads is to use traditional marketing tricks: to promote discounts or deceptively additional services for free in your advertising. It is more significant to merge with your clients’ way of living, emotions, beliefs and activities. “It is no longer sufficient for marketing to focus on bringing about a transaction or realizing competitive advantage. Through the application of electronic marketing the focus of marketing will shift towards the building and maintenance of individual, direct relationships.” (Cor Molenaar, 2013, p. 21)

The mental image of this is to figure out particular clients mental state: to penetrate to actions, feelings and moods of the individual person. The substance is to suggest the product or service on that specific moment during limited period of time. For instance when woman temper is sorrowful the power of business will be to offer the dessert to raise the spirit. In this case functioning form of advertising is radically different from traditional media advertising. “The stream of customers purchase data – what they’ve purchase, how much they have spent, when and how often – reveal the great deal about the lifestyle of shoppers themselves“ (M. Christopher, H. Peck, 2013, p. 12).

In 2015 Mobile marketing association in list of reports also emphasize importance of sophisticated intimate environment creation in cyberspace – many clients are more tend to solve problematic questions in private ways especially when dealing with treatment issues. Interaction on personal level is the key value of growing revenue in prosperity (30).

Data base marketing (DBM) techniques serve for enterprises when communicating with clients with special characteristics. Using information of purchasers from variety of sources assist when understanding needs of every individual client. On the other hand it is not only DBM that make powerful changes in new communication form in digital marketing but also geo-demographic targeting. The method of geo-demographic targeting is analysis of private customer information that client give their property to use (M. Christopher, H. Peck, 2013).

To summarize Attraction of attention of the client is the most important value in modern digital marketing. For changing rules in marketing assist DBM. These kinds of systems design the personal analysis of each client of enterprise’s target audience and make targeting much more precisely like such a process. Sources of lists of users profiles reveal the similarities, relations and tendencies of clients’ needs. This is reached not only by development of DBM techniques but also by natural society tendency to disclosure their personal information.

1.4. Digital marketing relevance to coffee market

It is very important to analyze latest trends of digital marketing solutions applied to retailer business or customer's products oriented enterprises because of some relevant reasons. Firstly in our modern age information technologies and possibilities of their implementation are introduced in high frequency as well as interchanging rates of them. Considering the fact it is necessary to reveal which of the phenomenon related with the modern technologies should be introduced to particular business to be especially effective tool for clients' attraction, retention and creation of long- term engagement. According to "Gartner" research, 90% of U.S. marketers state that over the next few years they are going to compete absolutely on customer experience. It means that the role of the marketing is longer about just phenomena of "marketing", it is about seeking to define the right markets, to develop and manage the companies' offers. Resulting this is about not only process of attracting clients, but also acquisition and retention (17).

Secondly the area of coffee chain stores is rather subjective when discussing implementation of digital marketing because especially this field encourages active live communication in local places. The development of digital solutions in such kind of business at first sight could look doubtless. The main question, before considering on relevant marketing strategies, arises: is it needful to incorporate many digital marketing tactics in order to gain the innovative and modern image of company or better seek for reaching the potential clients through online channels. Moreover it is important to reveal how digital channels could help to retain current clients and how to attract the new ones. It looks that the questions about suitability of modern technologies adaptation to restaurant business are already answered just it is necessarily to clarify the relationship between the vendor and the customer. Supplementing the facts the leading digital solutions analysts "Word Stream" announced the 25 must implemented ideas to restaurant business. In the list of suggestion more than 80% of marketing tactics are orientated directly to digital marketing tactics assuming to improve the welfare of the company and the overall image of it:

- The direct target in order to find oneself in content marketing is taking food or beverages photos and constantly broadcasting them on company's social networks, official websites, digital media channels. Visual content advertising is so important - it is on the high demand;
- Loyalty programs – partnership with company's mobile apps should definitely be introduced in particular restaurant marketing plan if is not yet. Connection loyalty abilities with digital devices often the mobile and it's apps encourage customers to check out your restaurant through gamification process and perks programs;

- Setting up the social channel of “Google+” account could provide company’s business details in the sidebar of the search engine results that should fight for a place under the sun online;
- Geo-targeted Ads is one of the favorite and attractive types of advertising for clients. Most of them are tend to visit cafes near their current location. Nearest cafe could be find through many of online advertising platforms such as: “Google AdWords”, “Facebook” and “Twitter”. To emphasize that geo-targeting advertising options usually are at no extra cost;
- Another way of reaching clients through visual content is Instagram. Probably it is one the best way to present as well as promote particular beverages business for fans. At current time Instagram has 400MM active users, it gathers 80MM photos per day as well as reach 3.5billion of likes daily. The numbers are talking themselves. Furthermore the social network in 2014 started to test first advertising on their channel while in 2015 they are ready to boast about the great success of this decision;
- Although emails are not on the top of marketing tactics it is recommended don’t miss to use ability of sending the newsletter with updated menu or special offers;
- Promotion of user-generated content phenomena practically reveals how clients are appreciated by the particular company. The environment for clients’ expressions is powerful one. The great example is www.mystarbucksidea.com with 190 thousand ideas submitted by the loyal clients;
- Presenting of enterprise’s employees online also is described as a part of content marketing. There are even thousands of already realized publicities of Starbucks that introduce their blissful staff for instance on daily news giant’s websites as: www.cnn.com, nytimes.com and businessinsider.com;
- Monitoring of Social Media Presence is essential process not only to create the unique environment online but to keep up and control what happens on social sites. Interaction is especially valuable from customers that thanks at the same time while creating millions of fans communities on social networks such as Facebook, Twitter, Instagram etc.;
- By paying regard to content marketing it is fair enough to pick out special and positive publicities on beverages company’s website or trough social media;
- Setting up Google alerts that notify when the brand or other related keyword or phrase appears in a new content online;
- Verifying are if particular restaurant’s information are accurately presented online;
- Keeping on developing your brand identity. It is not just a process of creating attractive image of the company but as well it has a big impact on social media reflection;

- While Facebook is the obvious leader as of the second quarter of 2015 reached 1,49 billion monthly active users, it is great not to miss the chance to become familiar with more digital networks such as Twitter that is especially appreciated in U.S with 340MM of active monthly users during the same period of time;
- Introducing the functional and especially detailed menu online in order to facilitate the searching and choosing process for the target audience;
- Convenient delivery services near purchasing online takes also important role. The giant coffee chain stores provide purchasing online in such a websites as: www.store.starbucks.com , www.shop.dunkindonuts.com, while www.timhortons.com in Jun of 2015 decided to stop e-commerce as well delivery services in Canada;
- Online reservation could be used not only for booking the tables but as well as for pre-orders that probably will cheer up plenty of clients especially when they are in a rush. Time-saving solutions related with pre-ordering could be critical moment when choosing services;
- Using of mobile advertising is one the brightest tendencies in digital marketing environment. It is predicted that in the end of 2015 year 50% of all paid clicks on Google will come from mobile devices. Furthermore beverages and food retailers are one the top of candidates for relevant mobile advertising, as clients are often searching for nearest cafes options while moving. The excellence in this is that mobile advertising tends to be cheaper compared with the desktop and mobile environment could boasts about impressive numbers of the conversion rates (76).

In conclusions: the attention to these statements it is obvious that marketing strategy of food and beverages are certainly directed to be in digital environment as well as became familiar with even more novelties – to be reached online in the maximum quantities and diversity of channels. On the other hand it is needful to evaluate which of the digital solutions could be appreciated by the consumers in the highest rates and what are the key elements that could attract and engage the target audience, which decisions facilitate purchasing or ordering processes. Moreover it is useful to analyze the solutions that are leading in the market and that other rivals are often trying invisibly pursuit from the competitors when applying similar marketing strategies to their own business.

2. INFLUENCE OF DIGITAL MARKETING TRENDS TO COFFEE CHAINS EXPERIENCE

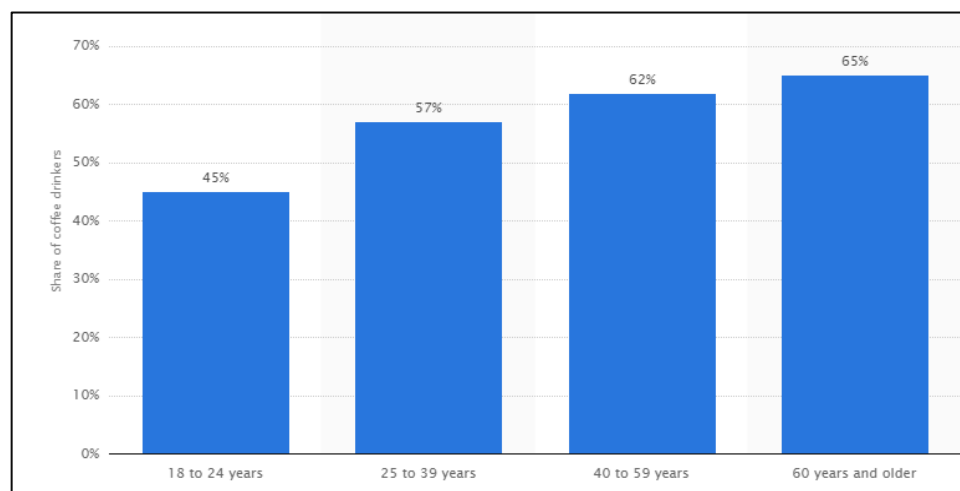
2.1. The analysis of coffee business in U.S. market

It is not surprising that coffee is in great request beverage in the world. Globally it is consumed more than 2.25 billion cups of coffee every day. Moreover coffee is appreciated as one of the most important commodities in the universe - this is so significant product to many economies in the global market. According to the „The richest“ supplementing the previously mentioned fact more than 50% of the Western-world citizens enjoy coffee drinks on a daily basis. For many American restaurants, coffee create more than 80% of their hot beverage demand. Coffee in U.S. at an average costs for a retailer about 0.20\$ for each cup. Resulting the resell price for costumer is at least from four to five times higher. Prices in the market range considering on multiple factors such as particular coffee store atmosphere, flavour, types of beans, store location etc. Minor business of coffee chains are able to earn revenues up to \$2 MM (42).

The latest statistic revealed by “Statista” complements the statistic of coffee consumption amounts with the fact that average American citizen drinks 87l of coffee every year (72). Moreover the results of an online survey executed by the “National Coffee Association” (NCA) in January, 2015 discover that 62% of coffee cups were drunk not at home by U.S. workers. An average American employer spent about 21\$ on coffee per week. In the spring of 2014, 16.78 million people in the United States visited a coffee house or coffee bar for breakfast each month.

A common phenomenon in the market is that coffee stores manage the whole network of such kind of stores in order to increase their business’ asset. Many of coffee stores owners are tend to believe that exclusive service and convenience are key elements in process of magnifying coffee sales. Business owners use “take-away” and “drive-through” spots to increase the sales and reduce the dependance on regular tables and chairs. Regardless of such demand of this beverage the rivalry for coffee producers is especially severe. The most famous brands of coffee chains devote many efforts for improving the experience of commodities of coffee. For instance many of corporate coffee chains impelent variety of emerging marketing tactics to grow their business. During the last few years, the largest coffee brands have developed many digital solutions such as mobile applications and mobile payments to make coffee purchasing more easier. Many of efforts were dedicated for creating attractive image of innovative and modern company through content messages on list of digital channels or using inspiring declarations through social media. The type of business related with consumption of coffee that should promote live relations firstly can no longer exist without digital solutions as well as virtual communication (42).

Finally it is necessary to find out what part of U.S. society is drinking coffee. According one of the leading statistic portal „Statistic brain“ the 54% of Americans are drinking coffee daily. In other words total amount of U.S. daily drinkers over 18 years reach 100MM of people. Approximately 34% of coffee drinkers buy coffee from coffee stores. Moreover the amount spent for this beverage during a year by typical drinker in U.S. is about 165\$, but the amount of money spent for specialty coffee in U.S. is 18 billion. Indeed the statistic reveals the results of an online survey created by the National Coffee Association (NCA) in 2015. U.S. survey respondents were asked what kind of beverages they have drunk during the past day (Fig. 11). The survey revealed that coffee penetration among U.S. consumers aged 18-24 years was 45%.



Source: <http://www.statista.com/statistics/250091/coffee-drinking-consumers-in-the-us-by-age-group-2015/>. Seen on: 27 September 2015

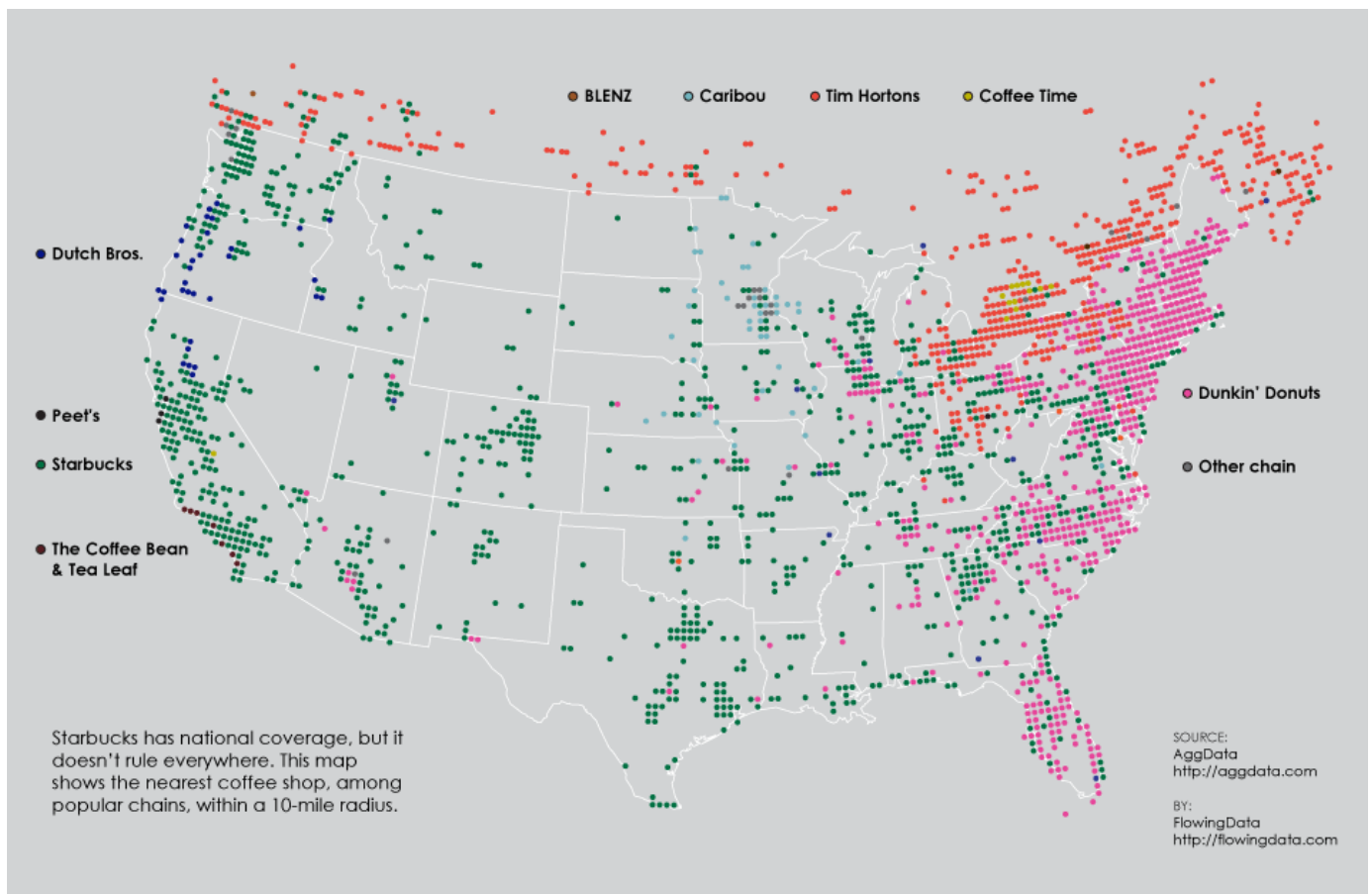
Figure 11. Share of coffee drinking consumers in the United States in 2015, by age group

Despite the fact that the highest percentage is in the age group over 60, it is important to reveal which part of all the age groups are going to buy coffee and what exactly is the target audience of largest coffee chain retailers in U.S. (72).

2.2. The analysis of largest coffee chain players in U.S.

According to a national survey conducted by Nielsen Scarborough in spring 2014, almost 36 million Americans had visited a coffeehouse within the past month. Starbucks is recognized as the largest coffee shops chain worldwide and its brand value compete with the most famous food and beverage chains of all – for instance McDonald’s. In 2014, the Starbuck’s revenue has reached a real record of 16.45 billion U.S. dollars. Moreover after continuous period - decade of rapid expansion, at current time the corporation owns more than 21 thousand of coffee stores globally (72). Others not less important American coffee market players are Dunkin’ Donuts, Tim Hortons (originally started their

business in Canada), Caribou Coffee and Dutch Bros. on the list ranked by revenue and company size. The origin of all of these enterprises is attributed to North America despite the fact that all of them expanded its activities to other continents. An important consideration that all these coffee chain players are united by similar features of cultural environment, heritage, history, approach to business etc. The spread of the largest coffee retailers is provided below. Starbucks has national coverage, but it does not cover all the continent. The coffee map reveals the largest coffee chains within 10 miles radius (Figure 12).



Source: <http://flowingdata.com/2014/03/18/coffee-place-geography/>. Seen on: 4th October, 2015

Figure 12. U.S. coffee place geography

Before starting comparing the main coffee chain players in U.S. market as well as their digital marketing strategies is useful to reveal the target audience of each enterprise. First of all it is useful to find out the target audience of the leading brand internationally and in U.S. – Starbucks company that is focus directly to 18-40 years old males and females: 49% of clients are from 25 to 40, another part 40% is from 18 to 25 years old. Usually they are students, office employees, travelers, adventures lovers with mid and higher incomes, technologies –savvy and social media based (69, 71, 72, 77). In other words it is “Generation C” – always connected and smart phone obsessed persons (15). While

Dunkin' Donuts is the closest competitor of Starbucks and their target audience in comparison differs from the leader's typical persona. The company focuses more on 20-50 years old males and females: social mummies, family travelers, sports fanatics or professional workers with mid and higher incomes. Those customers fancy not only for marketing tricks but also more naturalistic lifestyle, seeking for quick breakfast or snack when traveling. Regardless the target audience includes active social media networks fans (71, 55, 77, 80). The third one company - Tim Hortons basically is one of the oldest in the list by its brand age and counts over 50 years anniversary. Originally the company was based in Canada and as a result it reveals a pretty different approach to their target audience (74). The typical buyer is older: 22-52 years old males and females, mostly with mid incomes: parents, travelers, mid-class workers those who are social active or sports events fans. They could be described as convenience and price-minded persons (5, 16, 74).

The other two players in U.S. coffee market – Caribou coffee and Dutch Bros. could look really similar by the history of companies and spread in America although their target audience a little bit differ. The company of Caribou coffee focus more on young adults age 18-40 with middle or high incomes and those who seeks not only for high quality coffee beverages but also seeks for cozy interior of coffee and value exclusivity and trendy lifestyle. While the Dutch Bros. focus more on younger community: students, young adults age 14- 36 those who enjoy tasty, qualitatively coffee “on the go” but not less appreciates informal and especially close relationships and cheerful moments as well as “rock-and-roll” lifestyle (8, 48, 57, 75).

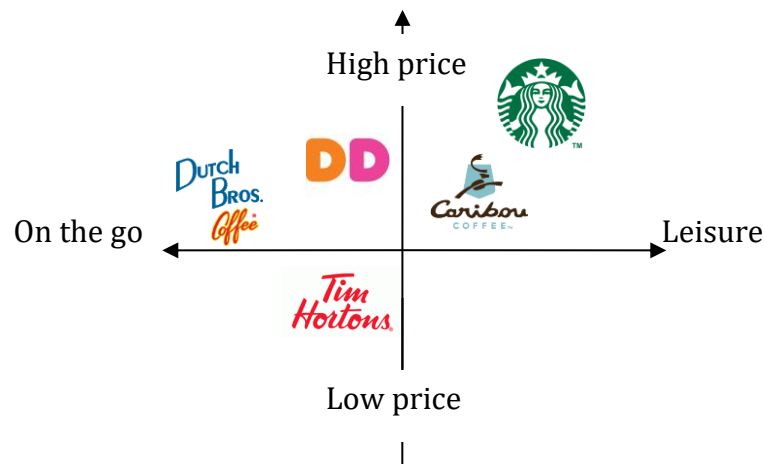
Moreover it useful to get acquainted to the principal positions of each of these companies. A positional statement of the coffee chain shops or their brand strategy reveals announcement which clearly defines its place in the market. With the target audience in front it describes not only the primary benefits of the company but also differentiate company from competitors, essentially designing the picture of company for customers perceiving. “Products positioning is so central and critical that it should be considered at the level of a mission statement...It comes to represent the essence of a business” (M.Dahlen, F. Lange, T. Smith, 126)

When considering monetary value of unit of coffee cup as well as the typical environment and atmosphere when the coffee stores are visited in the most cases by their target audience. The analysis revealed that the vendors positioning when introducing their products to U.S. market (Fig. 13).

Notwithstanding that Starbucks has obviously one of the highest prices of coffee cup in the market the company also present the high quality product. This link of perception of clients is powerful and undisputed. Until natural demand promotes and encourages the development of the leading brand there is no need for lower price suggestion by the enterprise owners.

The official mission statement of Starbucks seeks to inspire and nurture the human spirit and it is reflected when focusing on adventurous customers. While Dunkin' Donuts also represents pretty

high quality image of the brand but more focus on “on the go” clients rather than to travelers or adventure seeking persons.



Source: created by the author (<https://www.qsrmagazine.com/outside-insights/coffee-concepts-can-target-lunch-guests-demographic-data>, “Marketing” By Charles W. Lamb, <https://www.timhortons.com/ca/en/corporate/tim-hortons-outlines-plans-for-winning-in-the-new-era.php>, <https://cariboucoffee.app.box.com/s/cwi0wd575rye33v2brtos7ljwtwx1ctuq>, <http://usbusinessexecutive.com/food-drink/case-studies/caribou-coffee-company-a-company-a-conscience>, <http://www.fastfoodmenuprices.com/>, <http://brandtwist.com/advertising/dutch-bros-coffee-brewer-of-brand-personality/>)

Figure 13. **Largest coffee brands in U.S. positioning in the market**

Finally although Tim Hortons mission state: “Our guiding mission is to deliver superior quality products and services for our guests and communities through leadership, innovation and partnerships.” – it is presented on official company’s website www.timhortons.com, however this third player in U.S. coffee market has lightly separate position of business which offers their commodities more to mid social class and sufficiently low price compared with the rivals. Caribou coffee is trying to reform old tendencies of marketing and it’s rules while adopting not one mission statement but consistently providing their detailed annual reports “Do Good” where reflect comprehensive approach, list of desires and aspirations, some financial data and activity of the company (8). Dutch Bros. is similar to Caribou coffee because of modern approach to importance of brand building and strengthening while experimenting with jokes and tricks rather to keep on standard marketing strategy (8, 75). Even so both of the youngest players in the market: Caribou Coffee and Dutch Bros. emphasize the importance of especially quality product and services provided.

Assessing the main competitors of Starbucks it is observed huge gap when evaluating revenue during the year of 2014, number of coffee stores in U.S and implementation to content marketing that is directly related to so widespread social media networks (Tab. 1). For instance to emphasize the power of company Starbucks presented the amount of traffic during the week – with 40MM customers in the year of 2015. As a result “Dunkin’ Donuts” are not tend to publish real volume of traffic, just according the “Placed.com” it is stated that this coffee store are in 15th in the list of most visited restaurants in U.S. (65).

Table 1. U.S. coffee chain shops leaders in the market

Company name and years of establishment	Starbucks (1971)	Dunkin' Donuts (1950)	Tim Horton (1964)	Caribou Coffee (1992)	Dutch Bros. (1992)
Amount of stores worldwide in 2015	21 366	11 210	4 485	603	233
Locations	65% of stores in U.S. (Total - 61 countries)	8082 in U.S. (33 countries)	80% of stores in Canada, 19% in U.S. 1% Middle East	415 in U.S. And 187 in other countries	In 7 U.S. states
Annual revenue of 2014 (U.S. \$)	16.45 billion	0.75 billion	3.16 billion	0.09 billion	0.1 billion
Ad budget of 2014 in U.S.	103 million	132 million	11.3 million		
Facebook followers and ranking	35.938 million #17	13.072 million #121	2.707 million #390	490 thousand	469 thousand
Twitter followers	11 million	0.98 million	0.37 million	14thousand	82 thousand
Youtube subscribers	83.217	16.319	11.031	389	1224
Number of social media channels	6 (Facebook, Twitter, Youtube, Google+, Instagram, Pinterest)	6 (Facebook, Twitter, Youtube, Google+, Instagram, Pinterest)	6 (Facebook, Twitter, Youtube, Google+, Instagram, Pinterest)	Facebook, Twitter, Youtube, Google+, Instagram, Pinterest	Facebook, Twitter, Youtube, Google+, Instagram, Pinterest
Mobile application (rating 1-5 on iTunes / Google)	"My Starbucks app" (4.5 stars / 4.5 stars)	Dunkin' Mobile App (2 stars / 4 stars)	"TimmyMe" mobile App (1.0 / 3.5)	„Caribou coffee“ mobile app (2.0 / 3.5)	"Dutch Bros." mobile app (3.5 / 4.5)
First Mobile Payment	2009	2012	2011	2015	-
Digital Loyalty programs	"My Starbucks rewards"	"DDPerks"	Visa + "Tim Card"	"Caribou perks"	"Dutch. Bros gift card"
E-commerce	www.store.starbucks.com	www.shop.dunkindonuts.com	Stopped this activity in Jun of 2015.	shop.cariboucoffee.com	shop.dutchbros.com

Source: created by the author (<https://www.placed.com/placed-top-100/12-dunkin-donuts>, <https://itunes.apple.com>, <http://fanpagelist.com/user/starbucks>, <https://www.cariboucoffee.com/corporate-folder/our-company/company-info>, www.similarweb.com, <http://www.statista.com/topics/1248/coffee-market/>, www.playgoogle.com, www.starbucks.com, www.timhortons.com, www.dunkindonuts.com, www.cariboucoffee.com, www.dutchbros.com, www.caribouperks.com, www.marketrealist.com, <http://www.mobilecommercedaily.com/starbucks-streamlines-app-to-continue-dominance-in-mobile-payments>, <http://www.statista.com/statistics/261957/ad-spend-of-selected-restaurants-in-the-us/>)

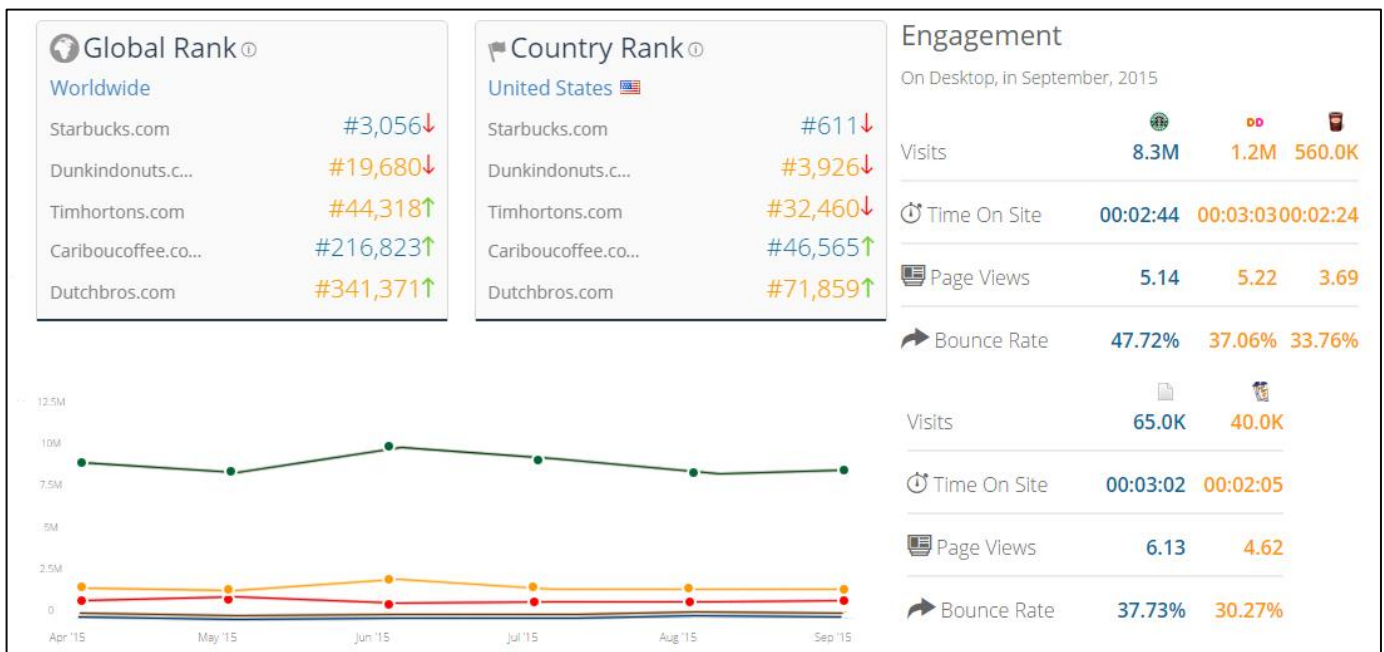
While Tim Hortons could boast about the efforts to be on the top visited places just in Canada but the brand really lack the efforts to be visible and recognizable in the same level in other states in America (74). While the smaller players in the market Caribou Coffee and Dutch Bros. run their marketing strategies in more authentic and exclusive way consequently revealing the high engagement rates but smaller audience (62).

Despite the fact that almost 94% of coffee purchasers firstly select products by the taste many business researchers agree on that there are more especially important key factors when choosing target places (72). Considering this, important factor when analyzing indicators that influence the revenue of enterprises' success is marketing strategies that ensure the continuous growing. It is not surprising that during the last few years Starbucks has implemented many of digital solutions – some of them are no longer existing but the vast majority still functions clearly. “With especially strong positions on multiple social networks, Starbucks brand has set high barriers for competitors. They are on the top of nearly every major world's brand ranking in social media” – state Mike Schult the owner of social media platform “Digital Spark Marketing”.

All of the companies under observation provide novel ways of digital marketing strategy that includes active practice in social networks – all of them are on 6 main social media channels: Facebook, Twitter, Youtube, Google+, Instagram, Pinterest. Although the worldwide ranking in main of them differ in a high contrasts. While leading company – Starbucks is between top 20 Facebook's enterprises when evaluating amount of followers, the others move away by almost 100 and even 300 positions. Even more significant situation is on one of the most favorites U.S. social media channels – Twitter, where the deviations of tens together. Similar context is looked on other media channels such as YouTube when studying penetration of user's level. The giant coffee suppliers ensure convenient way with mobile payment possibilities when using at first sight unique mobile applications: My Starbucks app, Dunkin' Mobile app and Timmy Me, Caribou coffee App. Digital abilities of counting points of rewards are also implemented in all of the coffee chain stores except Dutch Bros. just in diversity of manners of each company. On the other hand the leading brand exposes the powerful solutions, for instance – www.mystarbucksidea.com that attract thousands of future concepts for development of clients most wanted coffee brand. Caribou coffee and Dutch Bros. still are relatively small compared with the worldwide leader's positions in social networks. On the other hand - according “Market realist” coffee chain analysis it is observed the periods of expansion of these companies in the recent years (24).

Brand reflection on Internet. There is also no doubt how important website as phenomena is for every kind of business as well as for retailers of commodities of coffee. A website itself can be used to execute diversity of coffee enterprise's marketing strategies to promote growing of them as well as communication between fans and customers – the power of interflow of minds could bring many benefits to prosper of the company. According „Super web analyst“ – „A website will not only give you credibility but it also create the image and impression of your company. One of the great things about the internet is that the size of your company does not really matter. There is no reason that you can't get your site to rank in Google ahead of a large multinational competitor and funnel off some of their traffic” (45). Therefore another interesting aspect gathered of digital values for customers is

revealed with measures of “Similar web” (Fig. 14) it is easy to notice the huge break of traffic of online users in order to compare the volume and worldwide ranking of these five giant coffee chain competitors (67).



Source: <http://www.similarweb.com/website/starbucks.com?competitors=dunkindonuts.com>,
<http://www.similarweb.com/website/starbucks.com?competitors=timhortons.com>,
<http://www.similarweb.com/website/cariboucoffee.com?competitors=dutchbros.com>). Seen on 15 September, 2015.

Figure 14. Coffee leaders' websites ranking

With latest data of September 2015 it is seen the worldwide ranking contrasts of main U.S. coffee market players. Estimating the growing rates all 4 companies under observation – Starbucks rivals, won't grant forecasts of catching up the leader in ordinary way. The gap in this case is immoderate when considering abilities of taking leader's positions for competitors of Dunkin Donuts and Tim Hortons and even more remote Caribou coffee and Dutch Bros. coffee. While the Starbucks counts an average 83 MM of users per month, Dunkin Donuts on the 2nd place could boast about 1.2MM users, Tim Hortons – with 560 thousands and the rest: Caribou Coffee and Dutch Bros. 65 and 40 thousands visitors. However Dunkin Donuts and Caribou coffee surpass competitors by the average time spent by users and Caribou coffee presents especially high number of average page views during the typical visit of user. This factor could be interpreted to be reached because of relevance of content. Still Starbucks outperform rivals by being in the top 611 U.S. most visited websites, the main characteristic of decreasing ranking in U.S. is observed for all first three positions represented by the largest coffee brands. While the younger market players reveal increasing rates but still count 46.565 and 71.859 thousands in the list by the most visited websites in U.S. and reveal huge gap to their competitors. Moreover pretty high bounce rate around 30-37%, with the lowest of Dutch Bros., is

observed for all investigated companies except even of 47% is reached by official Starbucks website that remind of aspiration to improvement of digital services (67).

When analyzing digital solutions considerable dimension is amount of websites through with companies collect the target audience. The aim of business owners is fairly clear – the number of websites is not only for gathering merits of Internet conqueror but also to be founded whatever keyword related with coffee user compose on search engines: brand name, type of beverages, menu possibilities, coffee followers blogs etc.

Table 2. The list of coffee chain stores official websites

Starbucks	Dunkin' Donuts	Tim Hortons	Caribou coffee
1.Starbucks.com	1. Dunkindonuts.com	1. Timhortons.com	1. Cariboucoffee.com
2. Frapuccino.com	2. ddperks.com	2. Timhortonsstl.com	2. Caribouperks.com
3. Mystarbucksidea.com	3. Dunkinathome.com		
4. Starbuckscoffeegear.com	4. Dunkinfranchising.com		Dutch Bros.
5. Starbuckscard.com	5. Dunkindonutscatering.com		1. Dutchbors.com
6. Starbucksrefreshers.com			
7. Starbucksicedcoffee.com			

Source: created by the author

As a result the size of particular company is also sufficiently related with the list of official websites of Starbucks, Dunkin' Donuts, Tim Hortons, Caribou coffee and Dutch Bros. (Tab. 1) that also vary in high scale. Looking deeper to this list of websites it could be stated that Starbucks has individual solutions for instance: very important platform “My starbucks idea” – that distinguish the most from competitors by the main conception of implementing customers in communication and providing platform for suggestion. As well project of “Starbucks Coffee gear” is the official Starbucks website for Starbucks partners and Licensed Store associates to get branded uniform wear, apparel, gear and gifts. Dunkin' Donuts has another website for giving access for those seeking franchise's possibilities. All other sites in the list are pretty common decisions for all companies: promoting particular special beverages, inviting to e-shops or presenting their individual loyalty programs in such websites as: www.starbucks card.com and www.ddperks.com – under different brand's names is hiding similar type marketing strategies. While Caribou coffee and Dutch Bros. pleased their customers with just one or two official websites with all the relevant information, but not less important content (Tab. 2). This is important because according „ Similarweb“ 29% of Starbucks, 51% - Dunkin' Donuts, 58% -Tim Hortons, 60% - Caribou coffee, 76% - Dutch Bros. of visitors reach their official websites not directly but trough search engine (67).

Content creation trough social networks. According American and Canadian stock market “NASDAQ” based on electronic value data considering not only followers but overall brand the top

ten coffee chains on Facebook, Twitter and Instagram are described below (Tab. 3). Evaluating largest coffee chain stores, it is observed a clear market „front – runner” – Starbucks, which takes the leaders position in all largest social platforms: Facebook, Twitter and Instagram. On all 3 social networks, Starbucks surpass the average in all subcategories excluded by investigators: engagement level, direct impact for the user as well as responsiveness.

Table 3. The electronic value of the top ten coffee chains on Facebook, Twitter and Instagram

Ranking	Facebook	Twitter	Instagram
1	Starbucks Coffee Company	Starbucks Coffee Company	Starbucks Coffee Company
2	Tim Hortons	Dunkin' Donuts	Dutch Bros. Coffee
3	BIGGBY COFFEE	Dutch Bros. Coffee	Caribou Coffee
4	The Coffee Beanery	Tim Hortons	Dunkin' Donuts
5	Dutch Bros. Coffee	BIGGBY COFFEE	Tim Hortons
6	Seattle's Best Coffee	Bewley's	Peet's Coffee & Tea
7	Peet's Coffee & Tea	Caribou Coffee	PJ's Coffee
8	Gloria Jean's Coffees	Aroma Espresso Bar	Seattle's Best Coffee
9	Caribou Coffee	Seattle's Best Coffee	The Coffee Bean & Tea Leaf
10	Bewley's	The Coffee Bean & Tea Leaf	Caffé Vita Coffee Roasting Co.

Source: <http://www.nasdaq.com/press-release/which-coffee-companies-have-the-right-social-media-blend-starbucks-leads-the-pack-amongst-20150924-00365#ixzz3rSP7mIK>. Seen on 19th September, 2015.

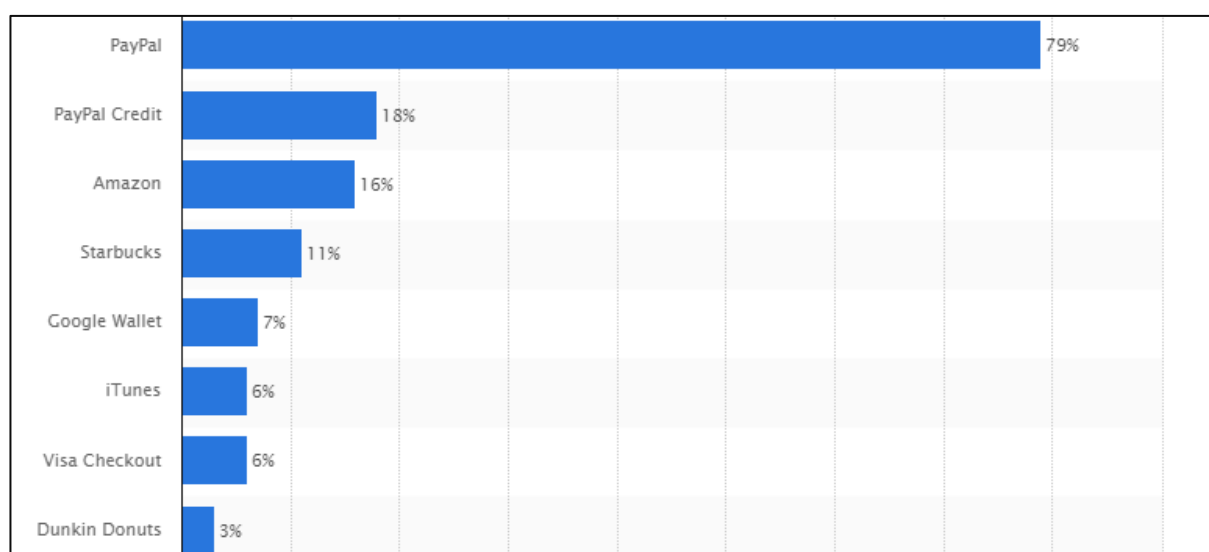
Starbucks crush its competitors' platforms by pretty common tricks: while posting fancy images of their beverages or delicious looking snacks with an emphasizing the coffee beverages to the particular season. Moreover the analysis of NASDAQ also revealed that on Facebook, Tim Hortons is placed at a 2nd place and as a result in some cases the company is able to outperform the leader - Starbucks but just in the Engagement and Responsiveness subcategories, but not in the category of impact for the user. Generally speaking it is a major breakthrough to Tim Hortons Company that often in their digital marketing tactics uses a mix of professional designed images as well as user-generated content and videos to empower the level of engagement of their loyal users - followers (80).

Likewise on the social platform of Twitter the enterprise of Dunkin' Donuts take the 2nd place for nomination of electronic value scores after Starbucks. The Dunkin' brand own 2nd place when evaluating the impact power and responsiveness aspect. Marketers of the company lead the field because of a promotion of a variety of content to create the relevant engagement between their large and mixed characteristics fans and followers who could usually be sports related persons or just

representatives of those who are attracted by the seasonal content – the same situation like in the social content creation of Starbucks. Comparing to Tim Hortons, the company also is the pretty common phase. It surpass smaller market players by a promotion of a large amount of user-generated content This create possibility to target their audience as well as to collect information of everyday visiting people that naturally become brand supporters. It helps to reveal what is so important for the fans, what is authentic and could ensure the company with guidelines when creating loyalty.

Significant moment of the analysis is that the rankings on Instagram reveals the importance of smaller market player - Dutch Bros. coffee which was ranked at 2nd place in the list after the giant Starbucks. This Western U.S. Company with authentic approach to marketing could proud of the highest engagement and responsiveness scores, along with the one the largest active fans base. Common situation compared with the previously mentioned coffee brands, Dutch Bros. ratings could be explained to engaging video and user-generated content that penetrate users who published the images (80).

Mobile implementation. Another important aspect of digital marketing tendencies is related with mobile solutions that are introduced by all investigated coffee chain brands. There is no doubt the Starbucks lead the trends in digital marketing tendencies by introducing mobile application with first payment abilities in early 2009 (Tab. 1) Also when analyzing the latest data of companies it is observed pretty similar situation of services provided for their customers and rating contrast in the way of Starbucks count the highest scores, while Tim Hortons reflect their lack of attention for quality of mobile technologies. All the coffee chain companies except the Dutch Bros. provide not only mobile applications but also mobile payments abilities that are connected with digital cards and rewards programs. Dutch Bros. which implemented mobile services pretty early – in 2010, still demonstrate the digital gap: no mobile payment directly related digital reward program.



Source: <http://www.statista.com/statistics/284101/digital-wallet-usage-in-the-united-states/>. Seen 21 October, 2015.

Figure 15. **The most popular mobile wallets in U.S. 2014 Q4**

Supplementing the loyalty programs of coffee business are closely related with payment methods and especially with mobile wallet (Fig. 15). According the survey executed by “Statista” during the Q4 of 2014 most popular mobile wallets include Starbucks at fourth place and Dunkin’ Donuts at 8th place. Important fact that mobile wallets of coffee chains are used more frequently than in other kind of giant business’s branches such as computer technologies. Moreover 85% of the respondents agreed or strongly agreed that mobile wallets will increasingly need to consider the whole purchase process (72). Evaluation of these results revealed that mobile digital solutions adaptation in coffee chain stores functions nicely and facilitates payments as well as the whole purchase process for client.

2.2.1. The analysis of Starbucks

“It happens millions of times each week – a customer receives a drink from a Starbucks barista – but each interaction is unique” – is stated on official Starbucks website.

1971 the company of “Starbucks” was established in Seattle, Washington by it’s three founders J. Baldwin, G. Bowker and Z. Siegel. At first company offered and supplied roasted whole coffee beans, until the companions sold the company to employee H. Schultz 16 years later. At a time the realm of Starbucks began to thrive and started expand the real network of coffee chain.

According “Statista” the enterprise’s revenue growth reveals the huge success. In 2014 Starbucks increased its earnings by 3 times compared with the period of the last 10 years. As a result company reached 16.5 billion of U.S. dollars. Another side is that company continues to enlarging the list of its chain. In 2014 there was established 1,600 new spots all around the world supplementing the total number of 21,366 stores in 60 countries. At current time more than 50% of the coffee shops are established in its home country - the United States of America.

A Nielsen Scarborough survey executed in spring 2014 revealed that nearly 32MM of U.S. citizens had visited a Starbucks coffee store at least once within the last 30 days. 73% of the enterprise’s sales are beverages that heavily surpass the food – compared the snacks reach just 18% production. “Forbes Media” a global media, branding and technology company affirm that Starbucks are on the 52nd place between the world’s most valuable brands. The company of Starbucks placed itself into the environment of U.S. far more quickly and in the smartest way than any other retail company of coffee business in history. The enterprise consistently transformed the way the entrepreneur realize and sell themselves to customers. To reach the international recognition many of delicate marketing techniques at every time were applied and performed in the market. Mindful renewals and updates – are the key element that everlastingly attract the audience and let to

incorporate latest trends in digital marketing. These phases of transformation also made the huge impact to Starbucks companies' marketing strategy and brand domination.

Mike Schultz the founder of "Digital spark marketing" (2015) excludes the main aspects that operate the communication of modern marketing of the company:

- Powerful social media;
- Adoption of innovation;
- Novel ways of customers engagement;
- Going direct to customers;
- Mobile solutions.

When analyzing social media it is irreparable that Starbucks has leadership position as precocious initiators and adopters of social media. Still the roots of it appear to the contrary to these days. "By 2009 the team had 13 personnel, who were involved in managing digital marketing initiatives of the company. The team was a part of marketing department and coordinated with employees from different functional areas within the organization, thus forming cross functional, centralized group" – it is reported in "IBS Center of management research" article (2013, p. 7). Parallel to 2015 the social media strategy is designed including websites and 6 additional social platforms: Facebook, Twitter, Pinterest, Google +, Youtube, Instagram. Through the channels of social media platforms and professional administrators the company are reaching and engaging many fans globally – counting more than 54 million. Consequently no doubt - the social media is used in the appropriate context. According the "Fan page list" Starbucks has more than 36MM of Facebook followers and is ranked at 17 positions between the Facebook leaders. Compared with the second most effective social media channel - Twitter has almost 3 times less followers – reaching 11MM.

Competition is another powerful way to engage clients and build their brand using method of competitions. One of the instances of this type tactics is stated by "Econtent mag": The company put up new advertising posters in six major cities in the U.S. and people had to take a picture of them and Tweet it, with winners receiving a store gift card worth \$20. The success of the campaign allowed Starbucks to amplify its message through social media. The value of the interest that it generated was far greater than the actual cost of the promotion." Hence the company formulated their values obviously - impact of the advertising campaign generates not millions of dollars but millions of followers on digital social media and it is the main goal of successful campaign (28).

Novel ways of customers engagement – the great instance of www.mystarbucksidea.com website is beyond approach step while executing successful and novel digital marketing communication. The website is designed for dialogue of consumer's experience, for discussions and creating authentic online community. As a result the site is a mix of concepts, thoughts of variations,

experimentation, target audience engagement, social media and even market analysis. According the “Business wire” the project encompasses not only their brand reinforcement but also contribute on purpose to fulfill the whole digital marketing communication strategy. What is unexpected - the clients are those who interact and propose digital innovations for coffee chain when the vendor demonstrates kindness as a result introducing suggested innovations. During the first year the website generated over 70.000 suggestions from customer. Close to seven years later the site has statistics with over 190.00 ideas submitted and up to 300 of them implemented by Starbucks. The highest interest is for coffee drinks improvement – 45.411, 2nd place is for “Starbucks card improvement” – 32.179 suggestions.

“We have listened and acted upon many amazing innovations that we have received from this online community. From digital rewards to new coffee flavors to the little extras, like splash sticks that make your day easier, our customers have incredible ideas that we can bring to life in stores worldwide. We don’t know what the next big idea from our customers may be, but we're thrilled to keeping listening, engaging and making adjustments to improve the Starbucks experience for fans everywhere” states A.Wheeler, vice president of global digital marketing for Starbucks. The concept of this type digital platform was introduced several years ago. Despite this the idea is developed and became a great interest between its users. More than 300.000 users express their opinion for accepting or rejecting ideas of other coffee community members. Three types of ideas groups revealed the amounts of engaged users of www.mystarbucksidea.com.

Additionally, considering digital marketing tactics of Starbucks it is valuable to draw attention to the approach of recruiting the new clients is no less important is to foster strong relationships with current ones. For instance it is worth emphasizing especially qualified customer services in cyberspace providing digital rewards when using personal users “Starbucks card”. That kind of enterprises’ attitude provides numbers of followers in long-term relationships – the aim of online engagement is reached at the highest level. The company of Starbucks uncovers the importance of: listen carefully, observe, and apply new ideas – it is from what they learn and improve ourselves.

Going direct to customers concept is based on interactive with customers from the other point of view. Merging with target audience in order to “become mates” is the main goal. For instance when Starbucks photo-shoots their clients they share news on the list of social platforms: Instagram, Facebook, Twitter or Pinterest. The purpose is to get in, integrate in to the environment of customers’ communication – where all its clients like to hang out. This type of tactic is closely related with role of social media platforms and is defined as “cross-promotion” tactic that disclose its’ impact in digitally focused surrounding (15).

Going to clients is directly connected with crowdsourcing, which is enabled by IT options. Some of the benefits emphasis by “Social media for business performance” that Starbucks is getting from customers crowdsourcing:

- Receiving free ideas from clients is the key element;
- Observing direct customer interactions;
- Checking the validation of future concepts;
- Target audience collaboration.

The process of involving the company in listening to the ideas of their clients and adapting smart researches of them creates the conditions between crowdsourcing and internal Starbucks product to be developed in the best way for the end-customer.

Another point of view with engaging customer is dedicated to relations with multimedia and public relations. Going direct to customers encompass plenty of information sources about Starbucks activity. Regardless of power of social media and partnerships with “Wall street journal”, “USA today”, “ESPN”, “The New York Time”, amounts of content related with Starbucks brand is broadcasting through their own platforms as “Starbucks newsroom” where all – even the smallest changes are introduced to publicity through efforts of digital content. And all these public relations steps online attract clients to visit coffee giant as well. According to research discovery engine “Fact browsers” Starbucks global traffic is increased by 4% or 23MM people over the year in Q3 2015.

Adoption of innovation. “Starbucks is an example that the best brands don’t just do great digital advertising. They drive business through digital and social”- states “Think Next” the experts of digital marketing trends online. Innovations are basically leading idea of Starbucks marketing solutions that build and organize digital capabilities. The company owns “Starbucks Digital Ventures” an incubator for digital initiatives. According “practicenext.com” the employees is currently working on over 100 individual projects, most of which are customer and partner facing. Starbucks’ leaderships believe on that a digital solution takes the most significant role in sustaining enterprises leading position as a brand. “From Wi-Fi and the in-store Starbucks Digital Network to mobile payment and digital music downloads, Starbucks strives to be ahead of the curve in offering customers digital amenities – and offering „Powermat” wireless charging is the next wave of enhancing the customer experience within our stores” state “Starbucks newsroom”. Integrating latest trends in digital communication with and for users using mobile apps, customers personal cards, digital community platforms, e-commerce, thousands of stores with Wi-Fi and free devices chargers let to introduce authentic relationships with customers. According marketing researchers online “Practice next” social and websites drives over 35 MM unique brand interactions through different channels online every month.

One more interesting movement in digital world of company is newly announced food and beverage delivery program, that enables customers to have their Starbucks coffee or food delivered direct to clients tables. The enterprise calls this strategy “e-commerce on steroids” (73).

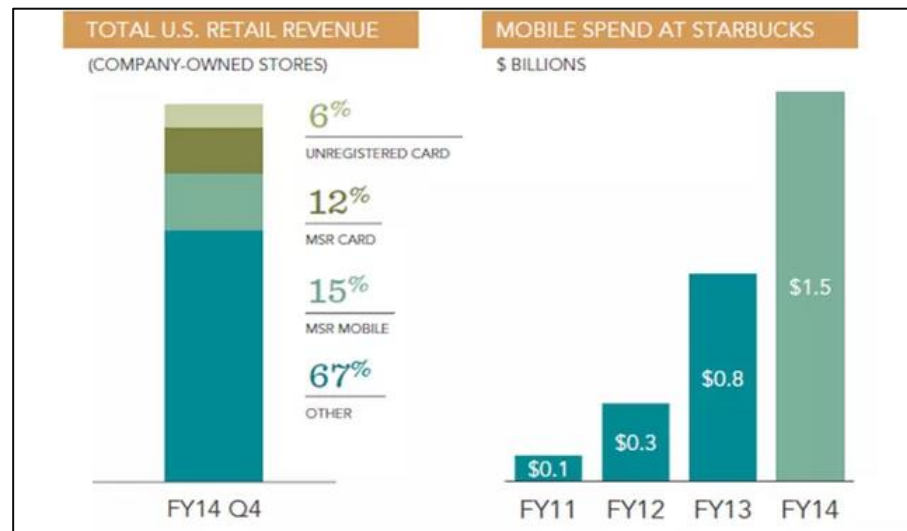
Mobile platform “My Starbucks app” provides ability to search stores, know more about coffees and build their individual drinks. Starbucks also proud of its loyalty program that were turned

digital with “Card Mobile App” giving possibility for customers execute payments for in-store purchases with their mobile phones. Today over 20% loyalties card transaction are executed through mobile. Considering the mobile implementation in digital marketing in 2012, Starbucks started integration with “Square” - an app with mobile payment system, which connect with the loyalty card information on iPhone. As a result at the end of September 2013, the company had \$621 million sitting on its mobile platforms. The company also reports significant financial gains through reduced transaction costs by 30% that otherwise is leaved to credit card companies. In total payments through mobile in 2015 reached 3 billion U.S. dollars report “Practice next”.

“There are lots of companies who are ringing the bell on mobile order and pay but in my prepared remarks I specifically talked about that this is a proprietary integrated relationship that we’re building with our infrastructure and in turn with the customer” - Starbucks CEO Howard Schultz in 2014. December interview with “Pymnts” emphasized revealing the continued mobile marketing strategy. In 2015 September “Starbucks Newsroom” announced about “Mobile Order & Pay” national rollout. “Mobile Order & Pay” provide ability for customers to place and pay for orders before their visit and pick their purchase at a particular Starbucks stores. This mobile app for the first time was launched in 2014 and with great interest was adopted by many users. On September 2015 mobile program were available in more than 7.400 Starbucks stores in America. The typical time for picking up the order is just 3-5 minutes. This mobile feature is integrated directly into Starbucks mobile app and connected with “My Starbucks Rewards” loyalty program so customers can easily earn digital rewards – Starbucks Stars. The coffee giants process nearly 9 MM mobile transactions each week in U.S. stores. Mobile payments in September of 2015 represent 20% of all U.S. store transactions. The company has over 10 million users on its mobile payment system. The “Market realist” state: “Starbucks’s digital strategy is important, especially in order to attract and engage Millennials. Starbucks claims its digital strategy enables convenience and drives a better consumer experience through its mobile app. This eventually helps drive ticket and traffic. As you can see in the chart above, 15% of revenues were generated by mobile, contributing revenues of \$1.5 billion in fiscal year 2014 (Fig. 16). Moreover the amount of active members in the digital “Starbucks Loyalty Program” is also increasing in very fast pace - the number was 8 million of users evaluating the first quarter of 2015 (24).

In conclusions a digital channel is the key element that is built on a pedestal of Starbucks marketing strategy. They are introduced for promoting continues long-term relationships creations, engagement and providing possibility to reach global purchasers thoughts and ideas that are captured and tangled by list of media representatives and competitors. Each interaction with customer is unique despite the manner you communicate with clients. Statistic revealed that current and incoming customers especially engage novel innovations adjustment in enterprise and authentic marketing

tactics. Applying of them increased annual growing of company's revenue up to 16.5 billion U.S. dollars in 2014.



Source: http://marketrealist.com/2015/01/important-recap-starbucks-digital-strategy/?utm_source=yahoo&utm_medium=feed&utm_content=graph-1&utm_campaign=important-recap-starbucks-digital-strategy#212870. Seen 27 October, 2015.

Figure 16. Mobile spent growth

Supplementing the fact of incomes – digital social media gave a possibility to create community of more than 50 MM followers online. The clear consequence - any other coffee retailers in the market at no time have been adopted suchlike accomplishments, hence the company adjust relevant tactics for customers engagement.

2.2.2 The analysis of Dunkin' Donuts

Dunkin' Donuts is global food and coffee house chain originally based in Canton Massachusetts in Greater Boston. Looking back it was established in 1950 by W. Rosenberg in Massachusetts with the first aim – to offer variety of sweet baked commodities. At current time the company developed their coffee stores network and is one of the largest coffee and baked goods chains in the world with more than 11 thousands restaurants in 33 countries. Important fact that primarily goals has changed dramatically and the enterprise of Dunkin' Donuts forget the doughnuts and bagels importance while started focus on coffee as well as competed with Starbucks. Nowadays the biggest part of the company business's revenue is generated in coffee sales. This strategic change in supply was shaped by growing demand of hot beverages and especially coffee in early 2003 (52).

Unless Dunkin' Donuts generated approximately 748.71 million U.S. dollars in revenue and had total assets amounting to approximately 3.18 billion in 2014 and took the very firsts position in coffee market after Starbucks in U.S., it is observed financial decline of the company. According

“CNN Money” Dunkin' Brands has stores growth in 2014 of 5.7%. After that rising Dunkin' Donuts need to close 100 coffee stores in the United States during 2015 and 2016. (51)

Notwithstanding with the latest changes in the company that are pretty familiar phenomenon for business, digital strategy of marketing concerns not only for Starbucks but for Dunkin' Brand as well. Like leading coffee supplier, Dunkin' Donuts is also putting many efforts in digital strategy in U.S. and outside but the difference is that Dunkin' Donuts like some other competitors in this field are playing “catch-up” in this business game - the “Market Realist” state (24). Basically all the digital marketing tactics implemented by company are realized after or in the same time as Starbucks.

Mobile and digital rewards competition. Dunkin' Donuts brand execute its activities through different of digital ways. For instance “DD Perks program” was fully integrated in enterprise's mobile application from the beginning of February, 2015. This provides possibility to users to collect rewards and pay for products at the coffee store from their Smartphone devices. Scott Hudler, Vice President of global consumer engagement at Dunkin' Brands, Canton, MA state: “We are hoping to be able to reward each and every one of our guests for their loyalty with offers and perks that are relevant and exciting to them.” But many of marketers agree on that this mobile novelty is not so new in the coffee business. “There is no doubt that this strategy is in competition with Starbucks, which is seeing close to 5MM transactions every week” –state “Mobile commerce daily”.

Continuously similarity observed in Dunkin' brands marketing compared with Starbucks of digital “DD Perks Rewards” offers customer to collect extra points for „earning a free beverages“ as in Starbucks (78). The main goal is to increase sales when rewarding loyal purchasers while also promoting them to spend more money during the visit as well as to naturally invite to visit Dunkin' coffee shops more frequently. “Particularly in a frequency category like this, it makes sense to offer up conveniences like don't carry cash, don't carry a card, so that participants are more apt to pay through a digitally enabled approach,” said Scott Robinson, senior director of loyalty consulting at Maritz Loyalty Marketing, Toronto.

Personalized offers. One more thing that individual loyalty card facilitate for coffee business is the process of identifying their target customers, as well as monitoring and tracking their unique behavior and naturally pushing them to execute their further purchasing. The main goal is to promote one to one marketing that is in high interest at recent time (72). The Dunkin' Donuts not only analyze the purchasing history but also provide possibility for loyal customers to share their rewards of free drinks with friends and family. This happen through using the mobile app features and additional functionality that grant the possibility to clients send their virtual “DD cards” to friends through diversity of ways: text, email or Facebook Connect.

The „DD Perks“ program of the enterprise is like key element in current digital marketing strategy. It presents the relevant engagement to the whole process that encompass Dunkin's mobile application.

Dunkin' Brand for the first time launched their mobile application in 2012 in order to facilitate purchasers the process of paying for commodities through a digital gift card related with clients money from a bank credit card. Mobile enable clients to order in advance and to accelerate payment. All in all Dunkin' Donuts brand has a similar mobile loyalty program as Starbucks. The “DD Perks” program had 1.8 million members (24).

Always come up with fresh content. The most innovative part of Dunkin' Donuts official website is social media part – it could be stated that the company has a very clear direction – the digital marketing positioning on social media channels. The enterprise has relatively high number of followers in social media channels such as: Facebook with more than 13MM , Twitter with almost 1MM followers and 160 thousand Youtube subscribers that indicate the very first target of the Dunkin' brands. The representatives of the company state that “We don't know our social media channels – our fans do”, that indeed revealed the closest interaction with their users. All the responsibilities are designated to fans of the brand in order to let them create the community online that they desire the most (24). One more extraordinary characteristic of digital environment of Dunkin' brands on Facebook – is they choose their fan of the week. Unexpected fact is that no one of the nearest competitors do this on their social media channels. Beside not only the social network broadcast the news of the company. The digital media is full of company's social campaign, news and variety of promotions.

To sum up Dunkin' Brand reveals the active participating in digital community life despite the fact that revenue compared with the closest competitor Starbucks is 20 times lower. Regardless the amount of followers is just 3-4 times smaller. From the first sight Dunkin' keeps on moving to the right direction by using relevant measures of digital content possibilities, only the weakest part in this competition is that Dunkin' usually does not introduce novelties by themselves, but followed by the Starbuck's digital marketing solutions. The performance of this brand marketers is considered by many researchers to be high qualified notwithstanding it is seen noticeable implementation of basically all similar marketing tactics that could not be nominated as the very first ones in the coffee market while superiority in this field is unambiguously necessary.

2.2.3 The analysis of Tim Hortons

The Tim Hortons chain of coffee restaurants started in early 1964. Canadian hockey player T. Horton and R. Joyce was the owners of the very first franchisee of the restaurant in Hamilton, Canada. At current time the company is well known for its coffee and donuts. Tim Hortons is the largest coffee

chain in Canada, with 3755 stores there while the others 884 are in U.S. and just a tiny part is located in Middle East. In 2014 company reached more than 3billion revenue as a result it was impact for further expansion. In the first half of 2015 Tim Hortons opened 105 new coffee stores that almost 90 of them are located in Canada (16).

Currently the company runs traditional and digital marketing campaigns that focus more on cozy and cute decisions and are tend to present the news or social activities of the company more than to be recognizable as the pioneers of innovations in the market. It seems that the content marketing is one of the most successfully developed areas. The company supports many of sports events and social activities that naturally attract social media followers and independent journalists (74).

The company has comparatively to the rivals especially low number of different websites despite the fact all necessary information about commodities, e-commerce possibilities, franchise and other services are placed in just several official sites: www.timhortons.com and www.timhortonsstl.com . Online environment of the company's site is well build - with convenient navigation, concentrated data and user friendly design that enable to incorporate e-commerce solutions in one place. The same situation is observed when evaluating the number of stores in U.S. – while Starbucks and Dunkin' Donuts are reached in a few kilometers distance Tim Horton's mobile application "Timmy Me" would not be able to boast about that while will be searching for the nearest location (5).

It is noticed that one of the strengths of the company is social media and especially YouTube followers. Although the subscriber's number reaches just 11 thousands of users meanwhile most of the videos counts millions of views. Usually the main goal of such advertising form is to "go viral" with these promotional movies which is not the latest tendencies in digital marketing but those that still generate the high interest of users on cyberspace. According to a case study presented by Peter Nowlan: "The company's chief brand and marketing officer, the dark roast PR campaign generated 91 MM media impressions from more than 350 different news outlets, while #timsdark generated more than 156 million social media impressions". This kind of example is not the only one how Tim's brand attract customers and representatives of media. The tactic is measured to be useful but firstly seeks to "warm their client's hearts" (5).

Herewith company goes in step with Starbucks and Dunkin' Donuts when comparing loyalty program "Tim card", mobile applications and payments abilities. "Tim card" is connected with international "Visa" brand that strengthen the image of it. The main characteristics of "Tim card" includes collecting extra points for commodities purchased, sending e-gifts while also provide ability to connect all the data to "Timmy Me" mobile application updated on May 2014. It should be noted that the vast majority of online tactics are implemented after the rivals integrate these novelties.

Tim Hortons advertising spending in the United States in 2013 reached 11.3 million U.S. dollars while in comparison one of the biggest competitor in U.S. - Starbucks during the same period of time invested 93 million (72).

In conclusions Tim Horton has implemented all the necessary features to ensure convenient and clear navigation on the official websites, easy digital purchasing process as well as incorporated their relationships with “Visa” to design loyalty program - “Tim Card”. Content marketing is one of the strongest parts of overall digital marketing strategy elements. It is developed through the eye-catching messages that naturally rise from enterprise’s social activities in public space or promoting videos campaigns. It could look – nothing is missing but Tim Hortons lack exclusive ideas, innovative approach, novelties and even expansion plan outside Canada if seeks to compete with their closest competitors in U.S. coffee market.

2.2.4. The analysis of Caribou coffee

„In 1992, during an adventure through the Alaskan wilderness, our founders journeyed to the top of Sable Mountain. The breathtaking panoramic view became the entrepreneurial vision for Caribou Coffee - a company that believes excellence is a product of hard work, and that life is too short for anything else.“ It is stated on official Caribou coffee website.

Today this brave and cute image company owns more than 6 hundreds of coffee stores worldwide while the vast majority of them – 415 are located in U.S. The revenue of 2014 of the company that reach 0.09 billion could be hardly compared in the same level with the coffee market leaders but still present powerful incomes (75). According the type of business Caribou coffee is the 2nd largest coffee operator after the Starbucks in category of non- franchised coffee chain in U.S. Moreover according “US Business Executive” this young player in coffee chain market present themselves as the closest competitor to Starbucks according the specialty of their business direction – promotion of fresh and quality coffee beverages in coffee houses that are not the same to other franchise based companies’ entities.

From the first sight Caribou Coffee’s marketing strategy includes main activities and features of modern marketing approach and looks similar to other coffee houses. The official website www.cariboucoffee.com as well as e-commerce www.shop.cariboucoffee.com solutions and the whole brand identity is attractive and well-built while creating the feelings of cute and warm coffee tastes. Typography, visual novelties and inspiring design elements plays important role in packaging as well as in the whole digital platforms surrounding (8).

However like the whole company the advertising strategy is also pretty young and inexperienced one: all the traditional as well as digital marketing solutions sometimes are applied unprofessionally and superficially. Social platforms are working properly but not smoothly and

transparently. On the other hand the enterprise is running great visual content campaigns presenting their annual reports “Do Good 2014” on their official website and not only on the most popular Facebook and Twitter platforms but especially on Instagram with more than 39 thousands followers. Thus they are transparent and open not enough to their loyal users. The enterprise try to be attractive for it’s design and trendy messages while missed the presentation of their strategy, facts or upsetting determinations. The case when they close particular coffee spots they were own, were not introduced before the date of action. Such movements on social networks were not forgot by online community and revealed the importance of reaching the news for public - many of clients express their clear disappointments (61).

Turning back it is observed not one step behind the schedule. For instance the coffee house of Caribou implemented its very first movement into mobile space just in 2012 when launched mobile website version but not the mobile app. The mobile version of the site was created to facilitate customers browsing and accessibility to the main information. “Aproximately 35-40% of Caribou customers traffic is coming from mobile,” Ms. Chitsey state. “People are on the go and they are trying to find the nearest location or trying to find location with a drive thru, which is a big thing for persons in a rush“(21). Such a statements and overall approach on digital environment offer traditional services but lack the unique and individual proposals for purchasers that are so important to modern market. Moreover customers of Caribou Coffee were pleased with mobile payment and digital perk abilities just on April in 2015 for the first time while the giant Starbucks in comparison launched their first mobile payment version in 2009. The Caribou coffee mobile app is created for both: MacOs as well as for Androids thus the ratings of the application hardly seeks higher rates in both online stores: “Itunes” and “Google” stores. According the marketers of the company all these decisions with coming to mobile environment were adopted after their clients desires but not introduce to anticipate or track the client’s needs for surprising them before the number of users appeals (61).

In the official Caribou site it is stated: “At Caribou Coffee, you won't hear us talking about our vision or mission. To us, that's corporate speak. Instead, we talk aspirations, experiences and values. We aspire to be The Community Place I Love and we're committed to sharing an Extraordinary Experience that Feeds the Soul.” (8). Unfortunately one important aspect is really different from the leaders: all the information is kept on its annual reports “Do Good” that are reached not directly but trough downloading “.pdf” files from official website. Natural question arise for plenty of users – is this the best way to present concentrate pride and power of company. The doubt is that all these sources of great information are introduced in not proper way and as a result it leads to poor distribution of the content (75).

To sum up what makes this company different from others is especially rich content on digital environment: visual, narrative and informative one. From this perspective Caribou coffee

dedicate many attention to their website and overall presentation of companies news, daily lives of employees, social activities, list of donations to society and could compete with such market players like Starbucks. In addition many attention is paid for design of all the elements on cyberspace even so researchers of digital marketing express concern of not insufficient efforts when developing technological parts of innovative solutions that is already implemented by the vendors but working at not full strength and as a result provide customers with not sophisticated digital environment.

2.2.5. The analysis of Dutch Bros

Dutch Bros. was founded in the same years as their close competitor Caribou Coffee - in 1992. The company was established by two brothers Dane and Travis Boersma. After number of experiments with coffee and milk they finally opened their company after the name of Dutch Bros. Year after year company expanded pretty fast while kept on opening new stores in western part of U.S. At current time Dutch Bros. is the American largest drive-thru coffee enterprise (56). This kind of business affects the whole strategy of enterprise marketing and its features.

First of all as being a different form of coffee chain store, only drive-through, the marketing of Dutch Bros. is directly related with some of the tactics and strategies that competitors are not focus on. For that reason of not having possibility to use internal or in-house branding elements such as visual advertising that most of the companies depend on is searching for other places of ad and communication. Instead of this Dutch Bros. believes in the philosophy that all the other elements or phenomenon acts as a branding creation and development, especially their loyal clients. Moreover with companies' online website, e-store and social networks channels they run great branding tactics that usually are connected with active lifestyle: skiing or cycling cultures that is so popular activities in the West of U.S. All in all Dutch Bros. has not met any problems when finding the physical or online space where to advertise (56). "We are uniquely different. The mindset of our service is "quality". And the product is "love". Love is the product. I don't know any other company that love is their product." – Travis Boersma, the founder of Dutch Bros. state (46). This kind of approach is widely spread in social media as well as in overall communication with customers and as a result it forms especially intimate and cozy environment for their customers. The importance of close communication with their clients is observed online. According "Fan page list" at current time Dutch Bros. has more than 469 thousand followers on Facebook, 82 thousands – on Twitter and 64 thousand followers on Instagram.

Dutch Bros is going to market with especially different point of view. For instance particular brand usually work on strengthening their logo while Dutch Bros. in contrast are creating additional images for running more than one phrase, logo or slogan. It is risky tactic if company seeks for gaining target audience because of less recognizable brand identity. Even so the enterprise is creating trendy image with mafia style logo and overall advertising campaigns online that even does not mention

coffee but are well known by local citizens in the 7 western U.S. states. The electronic commerce of company also acts as useful tool for strengthening that cozy and full of love mood of the company through selling not only coffee commodities but also list of souvenirs and clothes with Dutch Bros. logo and other visual features of the brand (47).

Considering the main strategy of marketing it is noticeable that some of the digital channels are used in peculiar way. Many of the main digital marketing tendencies are introduced but still are not well developed. For instance mobile application was firstly launched in 2013 and still 2015 it provides possibilities to find cafes locations, create your individual Dutch Bros. drink with „drink builder“, share users creations with friends on social platforms such as: Facebook and Twitter, but all these features except, customizing user drink, are really primitive. Important fact that there is no mobile payment ability.

Moreover the content provided in the official website is well written but not attracted at all – the standard personal computer window is dedicated solely for text – that is not so easy to read. On the other hand it is great effort to reach search engine such as Google in the most effective way. According the largest search engine “Google” the essence of search process online is based directly on the rate of the keywords provided on the site (59).

Comparing loyalty cards and perks system of Dutch Bros. and their rivals, this is also not a place to boast. The enterprises have not implemented digital payment through mobile as well as the card for collecting digital rewards. The question is what is the most important for client – digital tricks or modern and cheerful staff and quality of coffee. One by one review on the official site of Dutch Bros. collects inspiring and pleasant messages written by their loyal customers: “I used to love going to Starbucks, but I also hated it because sometimes the drinks were so poorly made. But one day I went to Dutch Bros. and tried my first drink from there and it was really delicious! The friendly staff is a main reason I keep going back because I always leave in a happier mood and the coffee tasting great is a huge plus!” (56). The interesting fact is also that no one of the customers in companies’ online reviews site are comparing the company with any other competitors except Starbucks.

To sum up Dutch Bros. is running pretty different marketing tactics from their competitors firstly because of their working specific - only dry-through coffee stores and not having possibility to use internal advertisement at all. Considering this fact it could be stated that Dutch Bros. successfully use variety of digital channels for promoting their authentically built brand even so not all the actions online, digital advertisement campaigns as well as technological solutions are created in the most professional manner.

3. THE RESEARCH OF DIGITAL MARKETING TENDENCIES APPLICATION TO COFFEE CHAIN STORES

3.1. The methodology of the research

In this part it will be defined the fundamental value of application for the chosen research field. Onwards it will be presented the main object of the research and the most relevant issues associated to it. Moreover it will be submitted the logic of the problem raised and the methodology of the analysis. This will be executed by using the survey data of collected responses. This part will also reveal the methodology and related aspects such as respondents, survey treatment methods and results of respondent's answers.

The problem of the research. Digital solutions became more and more important aspects while creating and evaluating the marketing strategy of particular business. Many of companies worldwide and in U.S. are paying lots of attention to social media channels, mobile marketing implementation, relevant content creation, online targeting and individual needs of their loyal clients. Moreover innovations and modern devices promote the development of novel ways of communication in cyberspace between users as well as between vendors and their customers. Although it is not clearly and exactly defined what benefits or harm the newest digital trends in the marketing strategies bring to the company and how different solutions reflect in the interest of customers as well as how the penetration level is changing of clients because of adoption of digital marketing tendencies to business.

The object of the research. Digital marketing trends application in U.S. coffee business

The main goal of the research. After analyzing the main tendencies in digital marketing to evaluate their impact for further development of marketing strategies of coffee chain stores as well as provide suggestions to this kind of business.

The main tasks of the research:

- To execute the survey which can be used to find out customer of coffee stores in U.S. approach and feedback to digital marketing tendencies application;
- To suggest aspects about digital marketing tendencies that should draw attention of vendors when developing coffee business in U.S. market.

The research is founded on respect of survey or in other words questionnaire method in order to reveal the main standpoint of constant coffee stores customers to list of digital marketing solutions. If the relevant relation would be revealed to analyze how these innovations impact customers decisions to choose one or some coffee chain stores. After analysis it would be possible to disclose main digital marketing tendencies such as content advertising, mobile marketing, social media and which of them

are the most effective when attracting and maintaining customers and their loyalty. Likewise it is important to study the main features that facilitate customers when browsing the information or making purchasing process. Analysis of these aspects could ensure the greater environment for clients as well as increasing profit of business owners.

3.2. Data collection and research organization

Firstly to emphasize the relevance of the research it was analyzed statistical data of Internet usage rates, users descriptions that are penetrated to digital environment, main digital marketing tendencies that are adopted in business strategies in order to keep the image of modern company and attract as well as retain the target audience in U.S. coffee chain stores. As well it was analyzed the digital marketing strategies and main activities of five largest coffee chain in U.S. Studying previous researches provide with plenty of relevant information but still there are many data submitted firstly from enterprises' point of view, while customers approach is not clearly defined and not all relations are revealed.

The widespread communication in online space could also provide with many of advantages while the disadvantages are sometimes not presented in more detailed way. According "Marketing Profs" vast majority of marketers lack of effective solutions and strategies and agree that it is the biggest obstacle to success in their digital marketing (62).

From the theoretical perspective it could be stated that digital solutions implementation to coffee chain stores is necessary and especially effective tool for achievement of general marketing main goals: customers acquisition, conversion, retention and overall value growth phases. Generally speaking it is not enough to introduce latest digital tendencies and novelties but first of all it should be identified the main factors that determine consumer choice. Considering these theoretical aspects the survey questionnaire is designed to assess the problem and suggest significant propositions.

For the further stage, for survey it was chosen the quantitative survey method that provides explanation of relations between variables that are analyzed. This method includes typical fulfillment of the answers, when all the questions are formed in the same manner for respondents and the whole procedure is not changing. (John W.Creswell, 2013).

The method of survey was chosen because it meets the requirements for the analysis of the research: after collecting the results it could be find out the most relevant aspects of digital marketing tendencies when seeking for uncover of what is the most effective tactics from the perspective of customers. Moreover it is easy to use this type of research for respondents to answer the questions and it does not require any specific or professional knowledge, is anonymous as well as it does not require lot of time. Beside it is really convenient for inquiring U.S. citizens because it could be answered at

any time and in the most convenient place of the respondent. From the perspective of author of the survey it is straightforward way of analyzing and processing the answers.

The structure of the survey. The research (Appendix 1) consist of 18 questions. First part of the questionnaire consists of main filter type questions that provide with information if respondent is appropriate for the research and if so which of the largest coffee chain company customer is as well as to measure the factors of user's choice of particular coffee store. The second part is designed to reveal the main digital communication channels through which particular brand reach their target audience – the constant users of coffee chain store in U.S. This reveals what is the most effective ways for vendors when planning their digital communication strategies in cyberspace and discloses the main common habits of using particular devices of users. The third part includes inquiries about the customers attitude to features and aspects that are key elements when designing particular digital channels or solution – how to make the digital platform to be user friendly, informative and suitable tool for client. The last part consists of issues that are directly related to the demographic characteristics of the coffee purchasers.

As mentioned before the first question is filter question and as a result reveals if respondent is loyal customer of one or some coffee providers. If the answer is that client uses this kind of commodities less than once a month – there is no need for respondent to keep on answering. The second question finds out the distribution of customers between five largest U.S. coffee chain stores: Starbucks, Dunkin Donuts, Tim Hortons, Caribou Coffee and Dutch Bros. – that were selected when evaluating their annual revenue as well as diffusion - the amount of locations. The third question is for evaluating main aspects of choosing the previously mentioned brand. The question 4-7 is dedicated for analyzing what type of advertisement works the best when providing with information as well as which type of it is the most visible and appropriate for client and if the client use the Ad Blocks. It is important to understand which ad is not bothering the target audience and moreover is useful one. With 8 and 9 questions it is seeking to know more about customer's penetration level to Internet and electronic devices usage. The question number 10-11 is created with the aim to study the importance of social networks and which one of them is the most suitable. While the 12th question is directly dedicated to figure out the customers experience and importance of mobile. Later the question 13-14 is for purpose to analyze the relevance of particular aspect of the main digital solutions. The last 4 questions are demographic issues describing respondent, qualification, age and gender. After the execution of the survey, the relevant data are structured and analyzed software of "Survey monkey" online platform, „SPSS 2012“ and „Microsoft Excel 2014“.

The size of sample for the research was calculated according V.I. Panniot's formula (K.Kardelis, 2002) which is dedicated for reaching the relevant size of the samples: $n = 1 / (\Delta^2 + 1/N)$, where

n – the sample size

Δ – allowed calculation error, that for social marketing research is usually used 0,05

N – the population size.

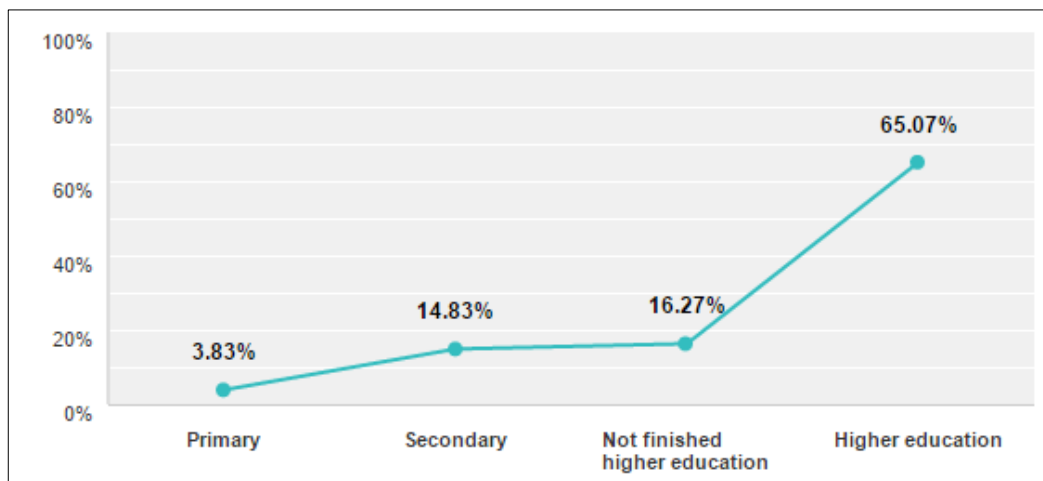
When Δ –for social marketing research is usually used the percentage of 0,05, N= 100 MM - those who are constant coffee drinkers in U.S. according „Statistic brain“, the n=400 respondents.

In practice, the sample size selection is a compromise between theoretical sample designs and the ability to realize them in practice - usually survey costs. Sample size does not have a significant impact on the results of representativeness - the more matters the sample making methods. Moreover sometimes the sample size is limited because of the funds of the research. In this case study is not asked. However, sometimes a small sample size is sufficiently representative. (M.M. Desu, 2012, p. 155) As a result the size of the sample for the research is 200 respondents. This amount is selected for the aim to present solely the transparent process and structure of overall research analysis as a typical pattern that should be used. The most important aspect is those respondents are united by some same features: they need to be loyal coffee stores clients as well as be citizens of U.S.

The research was conducted on November of 2015. Considering the object of the research it was used online survey platform – „SurveyMonkey“ for collecting the results.

3.3. The analysis of the research

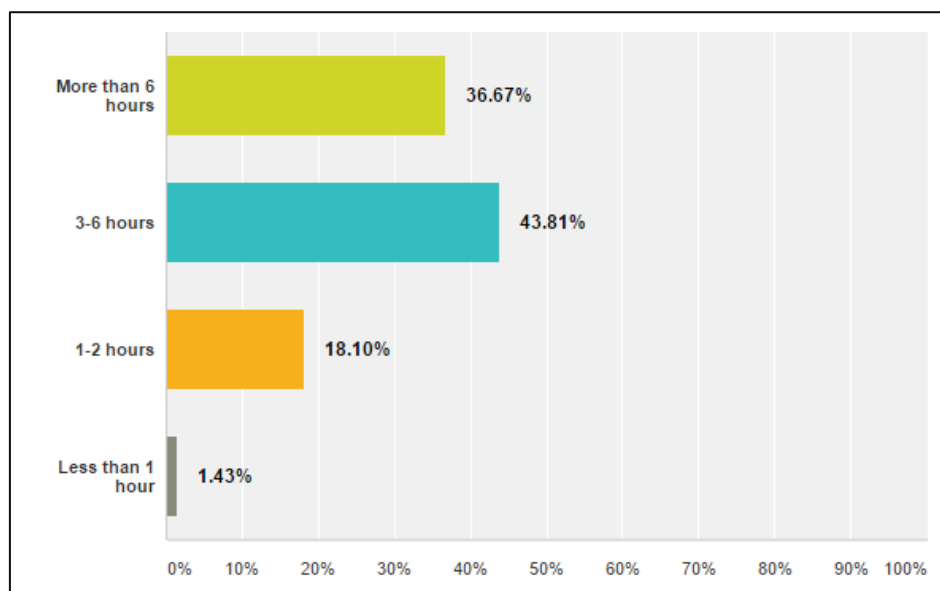
The characteristic of respondents. Before starting the survey it was asked to complete it only for those who regard themselves as coffee chains in U.S. clients. Moreover before analysing the results it is important to reveal the main features of the respondents. The vast majority of respondents – 81% are visiting these coffee commodities stores not less than once a month. According the survey respondents they do this in such periods: everyday – 27,14% of respondents, 31,43% several times a week, 21,90% several times a month. The gender of respondents assigned in ratio 55.56% male and 44,44%– female. Furthermore one of the questions inquiries about the target audience age. The answers of respondents reveal that 16,19% of responders were between the age 19 -24, more than half – 51,90% were 25-34 years old, 19,52% were between the age 35-44, 7,14% were 45-54 years old, more than 54years were just 4,76% of respondents. Continuously primary education was assigned for 3,83%, secondary 14,83%, not finished higher education – 16,27%, higher education – 65,07% of respondents (Fig. 17). This question of education is related with households' incomes and rates of internet engagement levels that also have a relation: the more educated persons are, the more they are engage with Internet in U.S. This is also proved by “Pew Internet” latest analysis on Internet usage.



Source: created by the author

Figure 17. The education of respondents

As the results the further question about the households' annual incomes was formulated according the same analysis of "Pew Internet" data and typical incomes splitting ranges in U.S. (36). The relation with coffee stores visitors was described as: 15.87% of respondents get more than 75,000\$, 30,29% - between 50,000 and 75,000\$, 20,19%, between 30,000 and 49,999\$, 33,65% less than 30,000\$. The results of this question reveal that natural pervasion is observed among all the mentioned social groups. These proportions formed by the respondents answers about their age, education and incomes conform to the target audience described of the investigated coffee chain stores (5, 8, 16, 48, 55, 77, 80).



Source: created by the author

Figure 18. The average time per day spend online

Moreover analysing additional features of respondents it is observed that 36,67% or 77 respondents spend more than 6 hours online per day, 43,81% or 92 respondents spend 3-6 hours, 18,10% or 38 spend 1-2 hours per day, less than 1hour – just 1,43% or 3 respondents from 210, spend

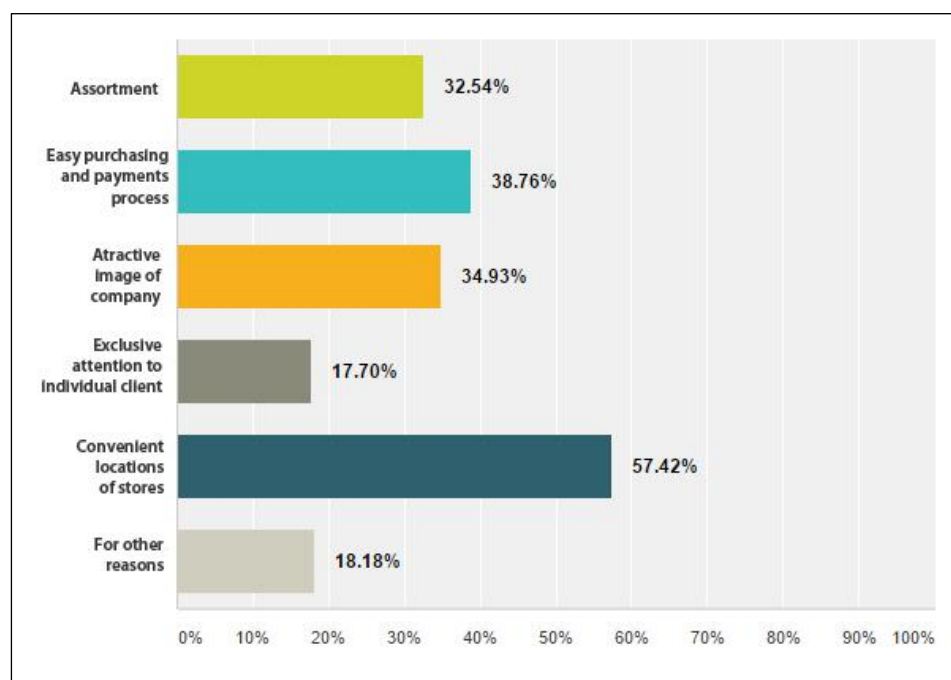
online during a day (Fig. 18). This information provided by survey reveals connection and confirmation of presumption between U.S. citizens' habits as well as the age group of target audience relation with the ratio of importance of digital world to them (91). Onwards some more questions were dedicated to analyse habits related with digital environment implementation of respondents. The question about which devices are used the most present that regardless the global rising of mobile usage the research reveal the power of computer that still surpass the ratings of usage of smartphones as well as tablets in such proportion: 53,12% more frequently use the computer, 34,88% are more mobiles friendly and 10,88% of respondents state that tablet is the most usually used devices. Notwithstanding this information also coincide with global experience: according „Emarketer“ mobile rising is observed in many fields as well as in market solutions but in 2015 smartphones has not surpass the usage of computers. This data should be understood as well as in many cases computer is used as tool during the accomplishing diversity of works (72).

Reasons for visiting particular coffee stores. The question about which coffee stores are the most attractive for customers was provided with multiple choices, because usually it is observed explicit overlap of clients choices. For instance 20% of those respondents who like visited Starbucks as well like to visit Dunkin Donuts and even 36% of those who likes Dunkin' Donuts like the Starbucks as well. Continuously the target audience of Tim Hortons are much more scattered: 35% of those who likes Tim Horton as well visit Dunkin Donuts and even 41% likes to visit Starbucks, 23% are clients of Caribou coffee. Similar situation is observed with the smaller brands: 33% of Caribou coffee clients are also clients of Starbucks and Dunkin Donuts, while Dutch Bros. Reveals the largest dispersing: 66% of their clients are tend to visit Starbucks as well as 58% of them are alslo clients of Dunkin Donuts. This is probable happens because of locations of this store that is clearly the well known just in Western part of U.S.

Considering this, later data will be analyzed more in general – while not separating different brands because of not creating the environment for inaccurate analysis, while just a small part of respondents are solely clients of only one company. On the other hand – it is observed only one clear leader in this game – Starbucks and just partly Dunkin Donuts, that has the highest rates of engagement to customers and the smaller amounts of dispersity when comparing with smaller retailers. The Starbucks are marked as the most visited coffee by 61,9% while Dukin Donuts reach 34,29% as being one of the most visited coffee stores.

The audience in the survey mentioned such main reasons for visiting particular coffee stores (Fig. 19): 32,54% clients value the most the assortment, 38,76% appriciate the easy and convenient payment and purchasing process. The aspect of overall attractive image of the company is selected by 34,93% of respondents. Moreover exclusive attention to individual client is valued by 17,70% of coffee chains customers. Continuously the vast majority of all stores are choosed because of convenient

locations of stores – more than 57,42% choose this aspect for one of the main reasons while selecting particular coffee brand. For other reasons particular coffee stores are chosen by 18,18% of respondents. The accent is that multi answers are provided for respondents in this question as a results answers overlap but reveals the main proportions of alternatives. Convenient locations of stores beyond question is the main aspect when choosing the particular point. Analysis of coffee chain in U.S. spread (Fig. 12) it is depicted the locations of the largest coffee chains that naturally explain why it is important to be not far away. Further it is important to present the relation between these respondents that choose the convenient location of stores and their addiction to mobile usage that reach even 55% or 66 from 120 that have chose this answer and 54,17% are using mobile App of their most attractful coffee brand – this reveals that those who choose the location are more digital friendly than average respondent in this survey. Moreover other aspects such as: easy purchasing and attractive image of company take 2nd and 3rd place in the most valued aspects list. It strenghtens the presumption that digital possibilities related with digital payment or innovative company are directly related with higher lever of engagement of customers.



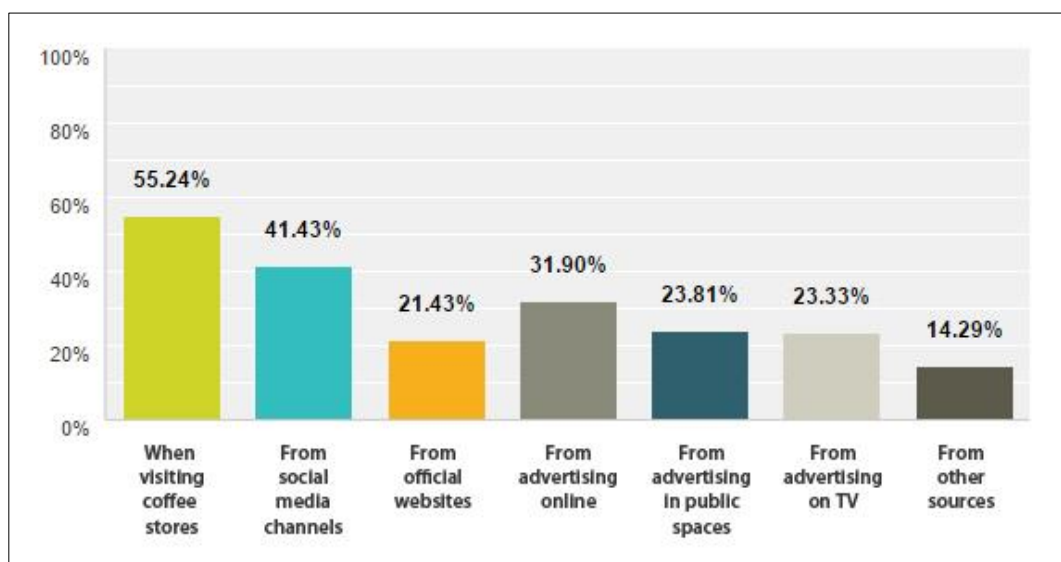
Source: created by the author

Figure 19. The main reasons for visiting particular coffee stores

Supplementing the fact those who select the store because of attractive image are more tend to be dependant on digital advertising impact: even 23,29% of these respondents are usually try new products after the new online advertising and even 46,6% are attracted by visual content advertising.

Informative sources. The question with multiple choices from where customers know about particular coffee stores reveals that when visiting coffee stores 55,24% of respondents and in comparison the similar ratio is observed when analysing separately only leaders: 56,15% of Starbucks; 56,94% of Dunkin' Donuts. While from social media channels in general 41,43% and again it is the same situation with 42,31% of Starbucks, 45% of Dunkin' Donuts. Official websites are also especially important informative channels because 21,43% of respondents get information there. Advertising online provide with relevant information 31,90% of largest U.S. coffee stores customers. Similar situation but still smaller impact is observed when evaluating public space advertising as informative tool: barely 24% gets information from public environment. Surprisingly advertising on television is not so popular as expected between all the largest U.S. coffee stores – while the percentage reach just 23.33%. Other infomative sources are selected by the smallest part of respondents – 14,29%, but still it is quite a large part for further analysis (Fig. 20)..

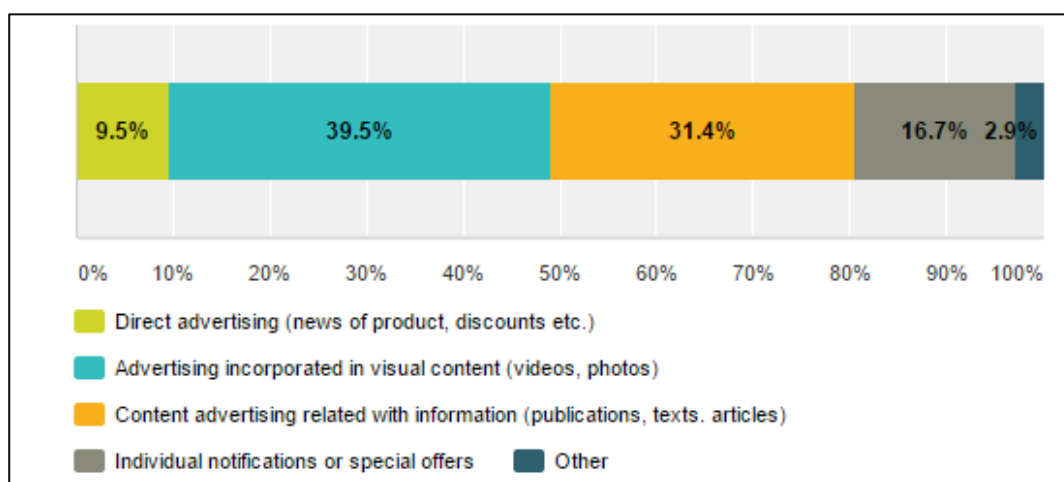
When analyzing previous data of main informative channels it could be stated that all the channels share the attention of customers but digital channels are especially important ones when distributing information for clients. It could be excluded that except physical visting of stores, social media and advertising online are one of the most effective ways for reaching target audience. Moreover it encompass the rates of adv ertising broadcasting trough television that is so popular among U.S. citizens. According „Statista“ portal typical american use electronic media more than 11 hours a day from wich on the top of the list is 4 hours dedicated for live TV(73).



Source: created by the author

Figure 20. The main informative channels of largest coffee chains in U.S.

The most attractive advertising. Analyzing result of what type of advertising is the most favorite by customers it could be observed the clear and perspective tendencies of content marketing solutions: visual advertising and information incorporated in text are the most attractive for customers (Fig. 21). For the clear reasons it is excluded four categories: direct advertising, visual content advertising, advertising incorporated in text format and individual notifications and special offer, because the question seeks for analysis of just a type but not a form of advertising. To clarify this - it does not matter is it published in social media, television, mobile advertising or in other places – firstly it is needful to know more about the relevant presentation and its format. The question is raised to analyze if informative pictures or separated design works the best in advertising, or relevant information about products provided by retailers or even more attention should be dedicated to individual attention that could be valued the most by the customers of coffee commodities. Single choice is given for respondents in order to find out the most effective tool, because some forms like content and visual advertising in reality could be easily mixed while the survey seeks to analyze the format more in detail. All in all heavy deflection is not observed in no one of five coffee chains observed in the research. According the respondents direct advertising is the most important for 9,52% of respondents, while visual content takes the leaders position with evaluation of 39,52% of respondents. Moreover the similar tendencies it is observed with informative content, because 31,43% of respondents value it the most. Surprisingly the aspect „individual notifications and special offers“ descend for previous phenomenans and are appreciated only by 16,67% of clients. The relevance of the question is proved by the last choice – the other forms of advertising that is selected just by 2,86%. Therefore the research reveal that content advertising tendencies that are so attractfull for customers all over the world should be also addapted to U.S. coffee stores beyond the questions. Supplementing the data advertising incorporated in visual content are the most attractfull for those who value the overall image of the company (Fig. 19).



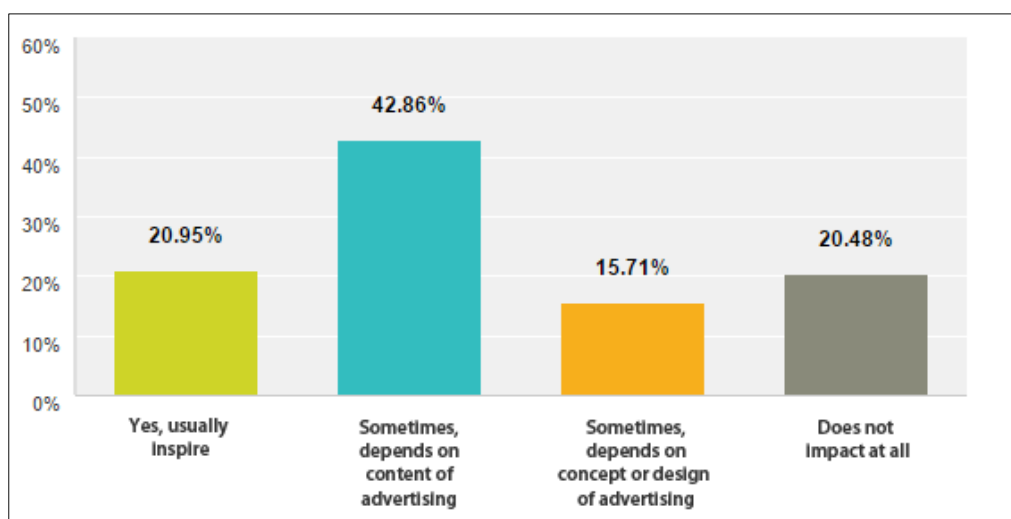
Source: created by the author

Figure 21. The most attractive type of advertising

Ad Blocks. Continuously analyzing the environment of advertising and impact to customers it is important to reveal the situation of online blocking ratio by customer. Inquiring the respondents about blocking systems there was provided three different single choice answers in the question: „Yes, usually I use“, „Sometimes, I use Ad Blocks“, „Never“.

The results revealed that Ad Blocks are used often by 32,21% of respondents, sometimes by 26,24%, never used by 41,35% of coffee buyers. The ratio of this data proves that Ad Blocks is also one of the tendencies in latest digital solutions. Considering this it could be stated that the advertisement of largest coffee chains in U.S. are created in the right way and does not provoke to hide it by the larger part of respondents. Continuously 19,40% of those who always use Ad Blocks are tend to trust in digital advertising – it is less than average in this research – 20,95% and 37,31% who sometimes are interested in digital advertising that reveal the direct relation with Ad Blocks. Moreover about one third of customers are not able to see the advertising online because of their own will. This is a signal for many spheres of marketers to think how to execute the right marketing in cyberspace in order to remove trash for online environment as well as increase the quality of this type of advertising – to be more useful tool rather than irritating phenomena.

Conversion rates. The question „Does advertising online of the products inspire you to visit more frequently your favorite coffee store or try new products?“ is also one of the most important when analyzing the online advertising impact to the intention and process of purchasing – conversion rate (Fig. 22). All the respondents regardless different brands awareness keep on pretty similar position when answering this questions. 20,95% of respondents are usually inspired by online advertising while 42,86% usually are affected for trying new product but this directly depends on the relevance of the content in advertising, that one more time prove the magnitude of this phenomena. Continuously analysing the results it is seen that only 15,71% of respondents state that willing to buy is inspired by attractive concept or design of the advertisement – that fact reveal the real sunrise of just attractive and modern designed based advertising in current marketing tendencies. Desirable goals could be not reached if using only exclusive design ideas – something special should be added. Unfortunately almost 20,48% of customers state that they are not inspired by online advertising at all if evaluating the impact for decision making. That reveals that advertisement is still not affecting directly about a fifth part of respondents. On the other side of the coin it could be that this part of respondents could be described as sceptics but that does not prove that advertising is not stimulating and encouraging them for further purchasing.



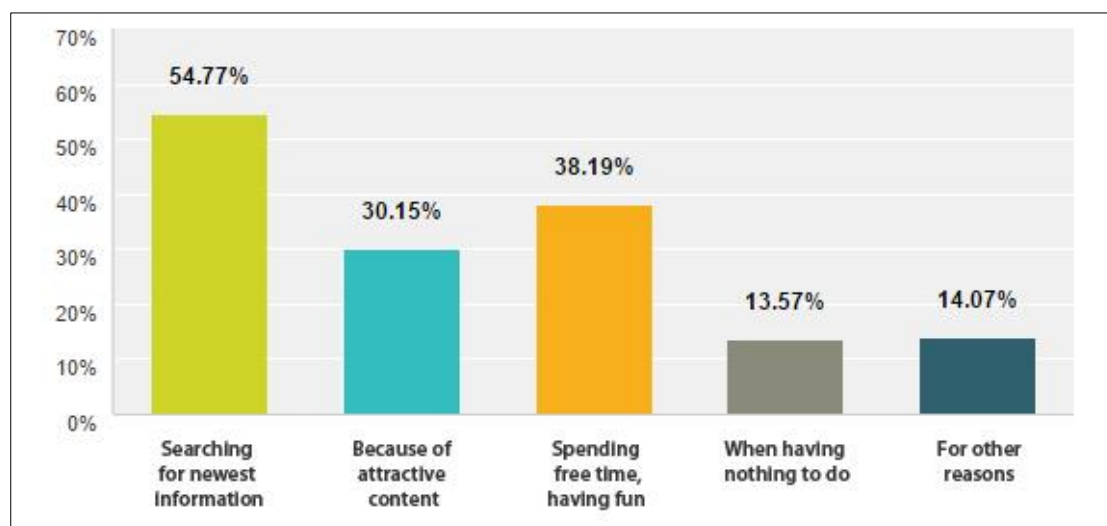
Source: created by the author

Figure 22. Online Ad impact assessment to customers

Social media. The question “Are You using social networks of your favorite coffee brand/s?” with multiple choices also requests to evaluate which are the most favorite social channels by respondents. The research revealed that dominant social platform is Facebook and it surpasses its competitors significantly. Therefore 71,90% or 151 of respondents appreciate the most Facebook platform, while surprisingly the 2nd place is for Youtube that is attractive for 30,95% of users. Continuously Twitter is rated in the 3^d position and is one the most favourite social platform for 28,57% of users, onwards Instagram and Google+ gets the equal amount of votes and are on the 4-5th place – these social platforms are liked by 17,62% of users. Pinterest counts only 7,62% and is in the end of the list. While 16,19% or 34 of respondents from 210 state that they are not using no one of these social platforms. The data received from this questions also explain the latest tendencies in digital environment: people are addicted to social media and visual content as well as informative messages are successfully placed into it. Furthermore it is observed the rise of video format that is connected with the trends of visual content and explain the power and coming to the front for the such kind of platforms.

The next question inquiries about reasons for using social media and reveals such statistic (Fig. 23). Therefore 54,77% of respondents are searching for new information about products, services and special offers. 38,19% are just spending their free time with the aim of interacting with other fans, followers of the particular coffee brand as well as they are tend to post their own messages and the photos made by themselves. Continuously 30,15% of respondents are using social networks because of attractive content. This is the other part of target audience – these kind of people usually like to observe and gather. All in all it is also process of engagement with the brand. Only 13,57% state that they spend their free time on social platforms when they do not know what to do. As well 14,07% are tend to visit social platforms for their own reasons.

The phenomena of high rates of engagement of particular brand social platform is especially useful for brand building for owners of the company. As a result vendors provide just with the place for individual performance of each and one client. This could be analysed as importance to be heard, understood or even awarded. The paradox is that users are usually creating part of relevant content by their own intents while the owners of the platform have not a lot to do by themselves.



Source: created by the author

Figure 23. The main reasons for using social networks

The role of mobile. The research also seeks to analyse the positions of smartphones and their usage rates among purchasers of coffee commodities in U.S. The question „Are you using mobile App of your favorite coffee brand?“ reveals that 23,33% or 49 of respondents are constant users of it, 31,90% or 67% are using them not permanently just sometimes depending on the needs. 44,76% or 94 respondents are not using mobile App at all. At the first sight it could look like the regrettable data, but deeper analysis could prove that just in the last year variety of business revealed heavily increased amounts of money spent for development of mobile solutions and possibilities for this type of advertising (63). Furthermore half of the respondents: 55,24% have been using the mobile app that could prove the smartphones usage trends as well as overall importance to coffee chain stores clients. Supplementing the fact – 35% of these respondents state that mobile is the most useful devices during the day. Continuously mobile implementation is related with evaluation of company or brand image of the company (Fig. 19). It reveals that those who value this aspect are more mobile friendly – even 61,11% of these respondents. Another link is observed that those who select mobiles as the most used devices are tend to spend more than 6 hours online per day – even 42,47% when less than 1 hour online with mobile is spend only by 1,37%. 65,22% of these mobile users are browsing for information on social platforms of particular coffee brand. Especially high number of smartphones users 64,39% are also usually or sometimes using the mobile App of particular coffee brand. This data reveal how

important is smartphone when evaluating its role in overall evaluation of company image as well as reaching the target audience through virtual environment channels.

Evaluation of platforms. The question about the most important aspects of particular coffee brand website and mobile platform provide possibility to choose the score between 1 and 5. In this case „1“ means that particular aspect is not important at all, „2“ means that aspect is just partly important, „3“ means – important at an average, „4“ points mean rather important and „5“ means very important aspect. This question is created for the purpose to find out the most important points and dimensions when creating digital platforms with userfriendly environment and easy navigation while not missing to provide with modern and novel shades in visual design. The results revealed that the highest ratings were dedicated for security of private information appointed to „security of private information provided“. This aspect gets the highest score when evaluating the average of respondents answers. It reaches 4 points from the maximum 5 (Tab. 3) . Moreover it has exceptionally high level of score 5 ratings – even 44.50% that significantly influence the final weighted average score. Continuously the 2nd place is for „navigation of the site or mobile platform“. It reveals that the biggest part of respondents have voted for this phenomena with 4 points – that means this aspect is rather important for 37,80% while 5 points in this part is prescribed by 27,27% of respondents and finally weighted average of this aspect reach 3.76 points. Onwards content is appreciated like rather important aspect by 39,90% of users while 5 points are given by 23,56% and form the average score of 3,72. In the 4th place is loading rate with an average of 3,69 points that stand behind just with a small part of ratings from the previously mentioned aspect of content. The evaluations of the aspects of particular digital platforms „loading rate“ concentrate more from 3 and 5 points, while 3 is granted by 26,79%, the points of 4 by 33,49% and 5 points is given by 27,27% of respondents. Looking further the results reveal that the digital aspects of „purchasing and payment solutions“ is one of the most dispersed answer by scores. The highest – 5 points are appointed by the largest part of respondents – 30,14% in this question and also takes the second place in overall evaluation of the scores of 5 list. Notwithstanding the purchasing and payments solutions are valued in other numerical values in descending progression: 4 points is appointed by 26,32%, 3 points by 23,44%, 2 points by 12,44%, 1 point by 7,66%. The average of this aspect reach 3,59 points that almost has no distraction comparing with previous digital features valued. Finally on the end of the list is aspect of „attractive design“ that collect 3,50 grade with the largest audience concentration on evaluation like „important on average“ – by 22,93%, rather important counts the highest ratio – 37,56% and 5 point – that aspect is very important is appreciated by the lowest part of respondents in category of „very important aspect“. Although all the weighted averages of diversity of aspects are valued barely the same in final evaluation and drop back is observed just in especially small part – 0,5 points from 3.5 to 4.0 points, this data consolidate the presumption that visual design is no longer on the top of the list of digital

tendencies that gets the highest amount of investments in U.S. coffee chain businesses (Fig. 4). Supplementing the fact that security is the most valuable dimension it could be stated that it is closely related with the current significantly increasing amounts of mobile payments made in largest coffee chain in U.S. – Starbucks, that in 2014 4th quarter reached 1,5billion while the total transactions of 2014 years reached 2,7 billions. (Fig.16).

Table 4. Evaluation of different aspects of digital platforms

	1	2	3	4	5	Weighted average
Security of private information provided	4,78%	5,74%	19,14%	25,84%	44,50%	4,00
Purchasing and payment solutions	7,66%	12,44%	23,44%	26,32%	30,14%	3,59
Navigation of the site or mobile app	4,78%	6,70%	23,44%	37,80%	27,27%	3,76
Loading rate	6,70%	5,74%	26,79%	33,49%	27,27%	3,69
Content	4,81%	5,29%	26,44%	39,90%	23,56%	3,72
Attractive design	4.88%	15,61%	22,93%	37,56%	19,02%	3,50

Source: created by the author

For further analysis results are analyzed while evaluating the age as well as dependency on customers loyalty. These factors for examination were chosen because of aspiration to analyze the most important digital solutions, their direct demand in subordination with the target audience of particular coffee business. These proportions about the age conform to the target audience described of the investigated coffee chain stores (71, 73, 74, 75, 82).

In the figure below (Tab. 5) it is submitted evaluations of assessments of official website and mobile platform. This is described with such unit of measurements: averages – mean (M), standard deviations (SD) between different age of clients. The results revealed that in all mentioned cases and aspects: navigation of the site or mobile app, purchasing and payment solutions, content, attractive design, loading rate, security of private information provided, there is no statistically appreciable relationship between the factor of age and digital aspects of customer interest because all the values of $p > 0,05$. While the p value is assessed according to the Kruskal Wallis criteria (H). Consequently this data reveals that clients of different ages statistically significant the same aspects associated with the particular coffee brand official websites solutions or features of their mobile application.

Table 5. Evaluation of aspects of digital platforms between different age clients

	Age										H ³	P ⁴
	14-24		25-34		35-44		45-54		More than 55			
	M ¹	SD ²	M	SD	M	SD	M	SD	M	SD		
Navigation of the site or mobile app	3,69	0,99	3,86	0,99	3,66	1,17	3,47	1,30	3,80	1,48	2,115	0,715
Purchasing and payment solutions	3,60	1,14	3,73	1,20	3,29	1,31	3,07	1,44	4,00	1,33	7,176	0,127
Content	3,83	0,89	3,79	0,94	3,68	1,19	3,00	1,20	3,90	1,29	6,881	0,142
Attractive design	3,71	0,93	3,51	1,08	3,41	1,30	3,21	0,97	3,40	1,43	2,494	0,646
Loading rate	3,91	0,89	3,73	1,10	3,54	1,23	3,53	1,06	3,30	1,83	2,569	0,632
Security of private information provided	4,09	1,04	4,03	1,08	3,95	1,22	3,33	1,35	4,50	1,27	8,140	0,087

Source: created by the author

¹M - mean, ²SD - standart deviation, ³H- Kruskal Wallis criteria calculated in order to compare, or three or more sample averages were statistically significant, ⁴p - the statistical significance of the correlation coefficient

The chart below (Tab. 6) presents the averages - means (M) and standard deviations (SD) between clients that visit the coffee chain stores in different frequencies of aspects and their quality of evaluated websites and mobile application. The results reveal that in all cases a statistically significant relationship between the frequency of customer visits and aspects of interest were not observed ($p > 0,05$). As a result it could be stated that age difference between customers who visit coffee stores in different frequencies generate the statement that the target audience has solid approach to digital environment and value the innovations with one voice.

Table 6. Evaluation of aspects of digital platforms between clients visiting coffee stores in different frequency

	Frequency of visiting of coffee stores								H ³	P ⁴
	Everyday		Several times a week		Several times a month		Once a month or less			
	M ¹	SD ²	M	SD	M	SD	M	SD		
Navigation of the site or mobile app	3,63	0,94	3,88	0,96	3,80	1,11	3,68	1,29	2,007	0,571
Purchasing and payment solutions	3,77	1,09	3,83	1,24	3,45	1,18	3,35	1,41	5,609	0,132
Content	3,71	1,00	3,88	0,91	3,70	0,99	3,53	1,30	2,087	0,555
Attractive design	3,77	1,00	3,37	1,18	3,61	1,05	3,26	1,20	4,559	0,207
Loading rate	3,57	1,12	3,75	1,06	3,76	1,12	3,55	1,30	1,063	0,786
Security of private information provided	3,94	1,00	4,26	1,05	3,85	1,15	3,88	1,36	5,999	0,112

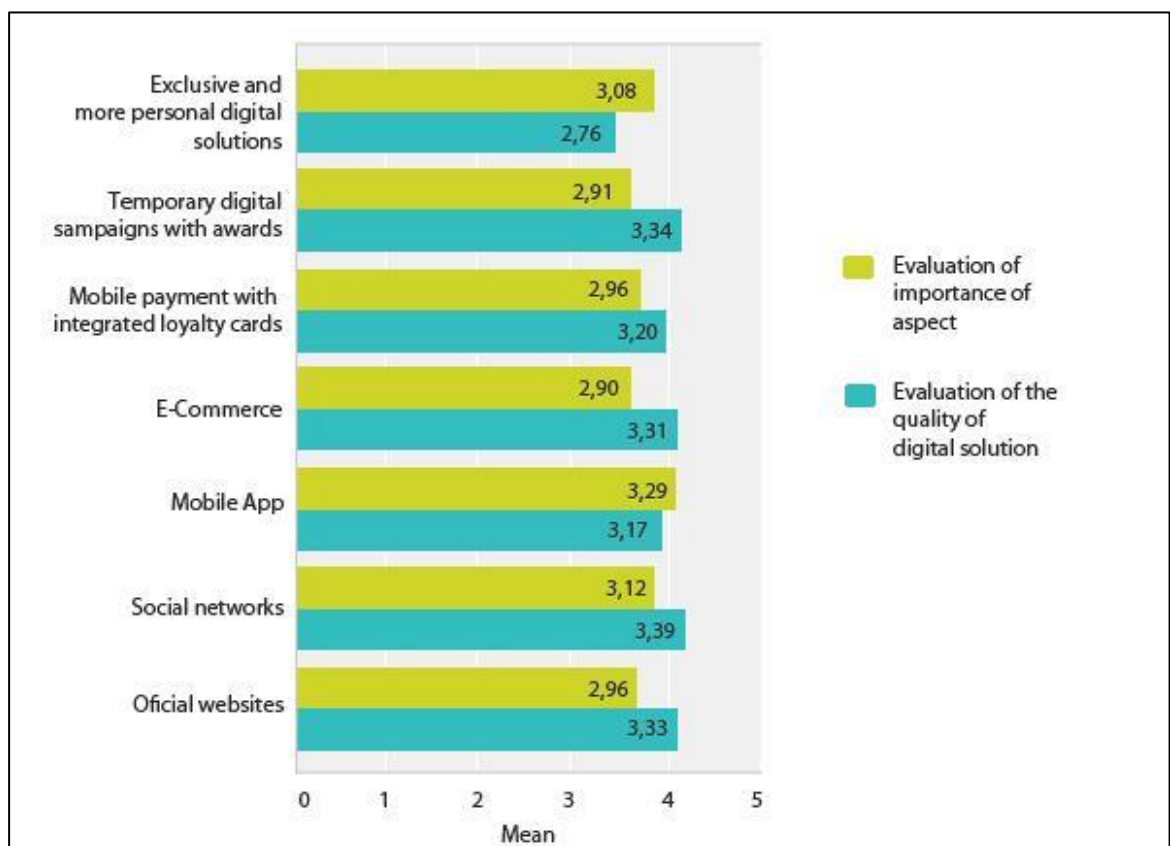
Source: created by the author

¹M - mean, ²SD - standart deviation, ³H- Kruskal Wallis criteria calculated in order to compare, or three or more sample averages were statistically significant, ⁴p - the statistical significance of the correlation coefficient

Evaluation of digital solutions and their implementation. The further question seeks to analyse not the details like in previously question but more the digital solutions. Formulation of question and the grading scale request to evaluate not only the importance of particular aspect but also the quality. This is designed for the further analysis and comparison how these solutions are implemented as well as what role they take in overall digital image of the company.

In this case as in the previous questions the evaluation systems remain the same just incorporate one additional scale. The score values in both scales are created in such way: „1“ means that particular aspect is not important at all, „2“ means that aspect is just partly important, „3“ means – imporant at an average, „4“ points mean rather imporant and „5“ means very imporant aspect.

In the figure above (Fig. 25) it is subbmited the averages of importance of digital solutions and current assessments of the quality. After evalutation of results it could be stated that such aspects as temporary digital campaigns with awards and social networks are valued the most 3,08 points from 5 while from the current aspects the most valuable are exclusive and more personal digital solutions with 2,91 points and mobile applications 2,96 points. expectations. Exclusive personal solutions with evaluation of quality by 2,76 as well as mobile applications – 3,17, should be upgraded to meet the customer expectations.



Source: created by the author

Figure 24. Evaluation of the most important digital solutions provided by favorite coffee vendors

Below the figure (Tab.7) reveals the importance of digital solutions and current assessments of the quality averages between customers who visit particular coffee stores at a different frequency in order to measure expectations of the most loyal clients. According the results of the question it could be stated that the critical aspects of assessment in this case there is no statistically significant relationship between the customer and assessments and their visit frequency ($P > 0.05$), that indicates that less loyal customers compared with more loyal clients evaluate the different digital factors in the statistically similar manner. Meanwhile, the further analysis of current quality of digital solutions and their measured aspects figure out that customers who visits coffee store several times a week, significantly better assess the social networks as well as the exclusive and personal digital solutions aspects ($p < 0.05$). Continuously customers who visit coffee stores the most frequency - daily, showed a statistically significant better assessment of mobile payments integrated with loyalty cards ($p < 0.05$).

Table 7. Evaluation of the most important digital solutions provided by favorite coffee vendors between clients visiting coffee stores in different frequency

	Frequency of visiting of coffee stores								H ³	P ⁴
	Everyday		Several times a week		Several times a month		Once a month or less			
	M ¹	SD ²	M	SD	M	SD	M	SD		
Evaluation of importance of the aspect										
Official websites	2,91	1,36	3,31	1,50	3,42	1,38	3,49	1,45	3,956	0,266
Social networks	3,21	1,29	3,41	1,41	3,53	1,18	3,44	1,38	1,167	0,761
Mobile App	3,24	1,39	3,28	1,24	3,32	1,29	2,76	1,32	5,151	0,161
E-commerce	3,34	1,21	3,42	1,29	3,41	1,12	3,00	1,38	3,063	0,382
Mobile payment with integrated loyalty cards	3,26	1,36	3,48	1,23	3,15	1,42	2,80	1,32	6,276	0,099
Temporary digital campaigns with awards	3,21	1,27	3,52	1,24	3,40	1,24	3,08	1,35	3,569	0,312
Exclusive and more personal digital solutions	3,15	1,25	2,92	1,25	2,69	1,31	2,53	1,30	5,209	0,157
Evaluation of the quality of the digital solutions										
Official websites	3,19	1,26	3,02	1,17	2,92	1,36	2,78	1,31	1,908	0,592
Social networks	3,03	1,19	3,56	1,39	2,92	1,49	2,85	1,33	9,616	0,022
Mobile App	3,57	1,36	3,39	1,36	3,31	1,40	2,95	1,22	4,698	0,195
E-commerce	3,16	1,08	3,00	1,32	2,88	1,28	2,54	1,29	4,600	0,204
Mobile payment with integrated loyalty cards	3,36	,99	3,00	1,20	3,09	1,26	2,54	1,27	8,837	0,032
Temporary digital campaigns with awards	3,13	1,36	3,03	1,19	2,82	1,24	2,68	1,16	2,610	0,456
Exclusive and more personal digital solutions	3,25	1,19	3,39	1,29	2,98	1,25	2,68	1,12	9,315	0,025

Source: created by the author

¹M - mean, ²SD - standart deviation, ³H- Kruskal Wallis criteria calculated in order to compare, or three or more sample averages were statistically significant, ⁴p - the statistical significance of the correlation coefficient

In conclusions the analysis of the respondents proves that solely the adoption of digital trends in marketing strategies could not guarantee the growing stream of the target audience. Customers are tend to pay attention to certain products and quality of maintenance, overall image of company that includes list of aspects, as well as locations of stores that takes also especially important role when choosing the particular brand of coffee chain. Even so it is especially important that the main presumptions that digital solutions contribute to grading up of the overall image of company and as a result attract more digital environment fanciers in coffee chain business is approved. As well digital tendencies that embrace mobile marketing, social media prosperity, individual propositions from vendors' perspective, relevant content upswing, technologies approachable realization in marketing strategies takes especially important role between other types and forms of traditional marketing solutions. Supplementing the fact there is observed insignificant level of unconcern and such approach to modern novelties by purchasers that particularly adore facilitations implemented by technologies. The collected data of research also prove that is no remarkable relationship between the age and the most modern innovative technologies and digital aspects exposed while this phenomena confirm that digital marketing is appealing not only for the young generation but for vast majority of the target audience of coffee enterprises. Continuously purchasers value fulfillment of rich in content advertising that reveal the positive alteration in conversion rates and quality of online advertising. All in all the assessment from the purchaser's perspective foster and stimulate the rapid development of digital tendencies incorporation to U.S. coffee chain business

Conclusions and proposals

The main aim of the final master paper work – to analyze the latest digital marketing tendencies and their implementation in U.S. coffee chain marketing strategies as well as to evaluate the impact of them. This aim was accomplished while excluding the concept of main digital tendencies and identifying their features, executing the comparative analysis of the leading U.S. coffee chain brands and their digital marketing strategies, evaluating the impact of digital solutions application to customers experience. Therefore it could be concluded:

1. The Internet and latest digital solutions have significantly changed the whole society and its habits - new possibilities were created not only to users but to business as well. As a result one of the most important digital marketing aims is engagement and retention of customers through qualitative digital environment: innovative technologies, user-friendly solutions and relevant content that became much more valuable factors than direct advertisement forms. Likewise novel ways of communication online have introduced ongoing conversation between vendors of companies and their potential clients.
2. After analyzing digital marketing tendencies, it could be stated that approaches of individual authors differ and it is find out variety of elements that influence the digital marketing trends. Notwithstanding it could be stated that these approaches differ not significantly as well some of the authors identify parallel digital solutions as single one. It should be mentioned that the most valuable digital tendencies above all differ in their essence: format, method and ways of functioning as well as each of them has their own features and specific. Evaluated different approaches of authors it could be excluded these main digital marketing fields that researches verify current and predict success: search engine marketing, digital customers targeting solutions, mobile marketing, social media, visual and informative content.
3. Solely latest digital solutions applying in marketing strategies do not ensure comprehensive success of entire business. Customers pay attention to certain products and quality of services, overall image of company as well as locations of stores that takes also important role when choosing the retailer of coffee commodities. These actions of clients are defined as determinants of consumer choice. Analysis of theory and largest U.S. coffee brands, let to form the findings that consumer choice related with digital environment is determined by: relevance of informative and visual content, easy and convenient way of paying and purchasing, personal data protection, navigation of website and mobile application, preference of introduction of innovations, possibility of being recognized as significant participant of community on social networks, search engine optimization that provide possibility for quick

finding of the relevant information or companies official website and authentic novel digital solutions applied in the company.

4. The consumption of coffee in U.S. has strong roots and there born the grand brands of coffee commodities that today became international business. The comparative analysis of U.S. largest coffee chain companies allow to state that digital tendencies application in business is integral factor that directly contribute to enhancing of image of the brand as well as sub serve when influencing the grow of demand of the business and consumer choice. Equally the rapid growth of U.S. citizens who use Internet and modern technologies is observed as well the clear relation is detected between the largest and most prosperous coffee chain companies and the amount of digital innovations implemented in their marketing strategies.
5. Regardless of that all the largest coffee chain in U.S. are constantly implementing digital novelties the most successful brand lead the field and dictates digital trends in coffee business field such as: development of mobile applications with digital wallets, list of official websites in order to be reached in the highest level trough search engines and relevant keywords, loyalty and digital rewards systems, active content creation especially visual one that is broadcasting trough social media, platforms for communication and serves for ideas of customers implementation. After analysis of largest coffee chain business it could be also stated that there is no possibility to exclude neither company that would be passive market player when investing in to digital marketing solutions or having uninterested approach to digital novelties.

After analysis of research about consumer choice determinants that influence their purchasing experience it is defined these conclusions:

- 6.1. Convenient locations of stores is one of the most valuable aspect when choosing the particular coffee point, even so this is behind the sequence of aspects such as easy purchasing and payment as well as overall attractive image of the company – that is in the front of the list amongh the most valued determinants of consumer choice. It could be also stated that marketing solutions related with digital payment or innovative company image are directly related with higher level of engagement of customers. Supplementing the fact the research revealed that fanciers of attractive company image are more tend to be dependant on digital advertising impact, especially they rely on visual content format.
- 6.2. Except physical visting of stores, social media and advertising online are one of the most effective ways for reaching target audience and providing clients with information. Likewise online advertising is defined as powerful tool for magnetizing customers to try new products but this directly depends on the relevance of the content in advertising, that

also prove the magnitude of this phenomena and in conjunction surpass mere attractive design based forms of digital advertising.

- 6.3. The dominant social platform among customers of coffee commodities beyond questions is Facebook and it surpasses its competitors significantly. It is also observed the rise of video format which is also appreciated in high ratings that put forward that kind of social media platforms in front of the list. The phenomena of high rates of engagement of particular brand social platform is especially useful for brand building for owners of the company while also provide users with relevant content or information and creates close relationships.
- 6.4. It could be stated that mobile marketing is absolutely inherent part of complete strategy of digital marketing that is positively assessed by the target audience. Results revealed that mobile implementation is directly related with evaluation of company or brand image - the more users evaluate this aspect the more mobile addicted they are. The link is also observed between smartphones users and tendency to spend more time online than with any other device.
- 6.5. The collected data of the research also proves that there is no remarkable statistical relationship between the age and the most modern innovative technologies and digital aspects exposed while this phenomena confirm that digital marketing is appealing not only for the young generation but for the vast majority of the target audience of coffee enterprises. It could be stated that such a approach of customer provoke to keep on integrating digital novelties by the vendors.

After generating of the conclusions, the following proposals are submitted:

- Rapid development of information technologies not only strengthen the image of brand but also promote vendors to lead the field. Even so it is important not to duplicate the novelties that competitors have already implemented but introduce them in authentic and most modern way.
- The Internet at current times is full of direct forms of advertising of products and services as well as amounts of worthless information. While the most important phenomenon should be the concentration to the relevance of content that is provided for target audience. This kind of information should be based on useful visual elements, specific examples or beneficial details.
- Search engines are appreciated in high ratings and provide companies with possibility to collect audience through different devices. Considering the fact attention should be paid to high quality of keywords creation that reflects the essence of official website or platform in the most accurate manner and does not mislead the users.

- Social media takes very important place though it cannot carry by itself: it should be responsibly maintained by the professionals and experts. Whereas the environment of social networks is dedicated not only for advertising but for close relationships creation the marketers should work consistently and provide with rich and responsible content as well as detailed and sincere commentary.
- Mobile marketing promise the bright future but it is not enough for vendors to place advertising or create the mobile platform of particular brand – not less important is continuous improvement, development, easy navigation as well as convenient payment methods and high level of security of personal data.
- The comprehensive digital marketing tactics of enterprises should be based on especially qualitatively developed foundations in order to turn over the approach of users as well as change the advertisement role dramatically: all the digital environment, including advertisement, should be treated as especially useful tool– not the digital mess in order to reach the further prosperity of the company

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ANNOTATION

In this final master work the tendencies of digital marketing and impact of their implementation in U.S. coffee business is analyzed and evaluated. In the first part of work the digital marketing roots and main goals as well as essence of latest innovated solutions and information technologies are defined. Likewise the latest digital trends for business is described and analyzed in theoretical aspect of the investigation. The second part of work is appointed for comparative analysis of five largest coffee companies in U.S. experience, investigation of their digital marketing solutions implementation and the main objectives that is achieved. The conception of overall approach and tendencies to modern technologies of compared brands is submitted while it is also answered to the question of why marketing is transforming according customers' needs and what is gained with integration of these digital novelties. Third part of work examine the customer's determinants of choice, the approach of target audience to quality of services as well as analyze the type and most relevant aspects of digital tendencies and factors that influence choice of purchaser the most. At the end of the work the conclusions and the list of references are provided.

Keywords: Digital marketing tendencies, digital trends, innovative technologies, content marketing, mobile marketing, digital solutions, search engines, social media, advertising online, individual customers targeting, U.S. coffee chain stores.

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SUMMARY

The topic of final master's work is relevant in assessing digital tendencies adoption in that any business, regardless the principal aim and type of activity take into account the latest innovative trends in order to gain the highest prosperity and receive overall potential return. In this final master work it is investigated the impact of digital solutions to coffee chain business in U.S. while also highlighting the most effective online advertising forms in the market despite the fact that digital solutions is recognized as not the only one phenomena that focus on strengthening the customers engagement and brand building process. The main problem analyzed– the scarcity of information about direct impact of digital marketing to business returns, the lack of comprehensive data about advantages and harms as well as what is affected the most from the vendors and customer's perspective. The object of research is application of digital marketing tendencies to coffee business while the main tasks seeks to introduce the aspects of the most modern digital novelties, analyze their main features, evaluate possibilities for development of enterprise and benefits received by the target audience. The research methods applied in the final master work consist of analysis of scientific literature, economic data and reports as well as comparative analysis of largest coffee companies and the quantitative survey. The structure of the work concludes of the introduction, three chapters, conclusions, list of references and appendixes. The significance and relevance of the work is specified by qualitative research and the survey when seeking to find out digital marketing tendencies for further development while part of conclusions and propositions reveal the practical value that is useful to business owners in order to facilitate the process when determining of adoption of diversity of solution in unique digital marketing strategies of enterprises.

Appendixes

Appendix1

The example of questionnaire provided for respondents

The adoption of digital marketing tendencies in coffee chain business

SURVEY

Dear respondent,

The survey is design for finding out customer's expectations and individual experience in coffee stores in U.S. as well as to investigate implemented digital solutions in this business. Your opinion and sincere answers are very important in this research. To complete the survey it takes only 10-15min.

The research is executed by Jurga Gumvelevičienė, student of Electronic business management subject in Mykolas Riomeris Universty, Lithuania. All the answers are anonymously and would be used in final master thesis analysis.

Thank You for your time!

1. How often are You visiting coffee stores?

- ☐ Everyday
- ☐ Several times a week
- ☐ Several times a month
- ☐ Once a month or less

2. Which one of the coffee stores do You prefer the most:

- ☐ Starbucks
- ☐ Dunkin' Donuts
- ☐ Tim Hortons
- ☐ Caribou coffee
- ☐ Dutch Bros.
- ☐ Others

3. Why do You like visiting particular coffee shops? (You can choose more than one answer)

- ☐ Because of assortment

- ☐ Because of easy purchasing and payments process
- ☐ Because of overall attractive image of the company/ brand
- ☐ Because of exclusive attention to individual client
- ☐ Because of convenient locations of stores
- ☐ For other reasons

4. How do You get newest information about particular coffee houses? (You can choose more than one answer)

- ☐ When visiting coffee stores
- ☐ From social media channels
- ☐ From official websites
- ☐ From advertising online
- ☐ From advertising in public space
- ☐ From advertising on television
- ☐ From other sources

5. What kind of advertising is the most attractive for You?

- ☐ Direct advertising (news of product, discounts etc.)
- ☐ Advertising incorporated in visual content (videos, photos)
- ☐ Content advertising related with information (publications, texts. articles)
- ☐ Individual notifications or special offers
- ☐ Other

6. Are You using Ad Blocks?

- ☐ Yes, usually
- ☐ No, never
- ☐ Sometimes

7. Does advertising online of the products inspire you to visit more frequently your favorite coffee store or try new products?

- ☐ Yes, usually inspire
- ☐ Sometimes, depends on content of advertising
- ☐ Sometimes, depends on concept or design of advertising
- ☐ Does not impact at all

8. How much time do you spend online per day?

- ☐ More than 6 hours

- ☐ 3-6 hours
- ☐ 1-2 hours
- ☐ Less than 1 hour

9. Which electronic devices You are using the most?

- ☐ Computer
- ☐ Mobile
- ☐ Tablet

10. Are You using social networks of your favorite brand? If yes, which is your favourite one?

- ☐ Facebook
- ☐ Twitter
- ☐ Pinterest
- ☐ Youtube
- ☐ Instagram
- ☐ Google+
- ☐ Not using

11. Why are You using social networks of coffee houses? (You can choose more than one answer)

- ☐ Searching for newest information: products, services, special offers
- ☐ Because of attractive content
- ☐ Spending free time: having fun when interacting, posting photos etc.
- ☐ Just when having nothing more to do
- ☐ For other reasons

12. Are You using mobile App of your favorite coffee brand?

- ☐ Yes, usually I use
- ☐ Sometimes
- ☐ Never

13. What is the most important aspects of the website/s and mobile app of your favorite coffee company? (Please evaluate from 1 to 5, when "1" is not important and "5" is very important).

	1	2	3	4	5
Navigation of the site or mobile app	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchasing and payment solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	1	2	3	4	5
Attractive design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loading rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Security of private information provided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. Please evaluate what are the most important digital solutions provided by your favorite coffee vendors and how you evaluate their quality from 1 to 5 points? ("1" is the lowest evaluation and "5" is the highest)

Evaluation of importance of aspect					Digital aspects	Evaluation of quality of digital solution				
1	2	3	4	5	Official website	1	2	3	4	5
1	2	3	4	5	Social networks	1	2	3	4	5
1	2	3	4	5	Mobile App	1	2	3	4	5
1	2	3	4	5	E-commerce	1	2	3	4	5
1	2	3	4	5	Mobile payment with integrated loyalty card	1	2	3	4	5
1	2	3	4	5	Temporary digital campaigns with awards	1	2	3	4	5
1	2	3	4	5	Exclusive and more personal solutions	1	2	3	4	5

15. How old are you?

16. What is your gender?

- ☐ Female
- ☐ Male

17. What is your education?

- ☐ Primary
- ☐ Secondary
- ☐ Not finished higher education
- ☐ Higher education

18. Please describe your households annual incomes

- ☐ More than 75.000 \$
- ☐ 50.000 - 75.000 \$
- ☐ 30.000 - 49.999 \$
- ☐ Less than 30.000 \$

Sincerely thank You for your answers. Jurga Gumbelevičienė.

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