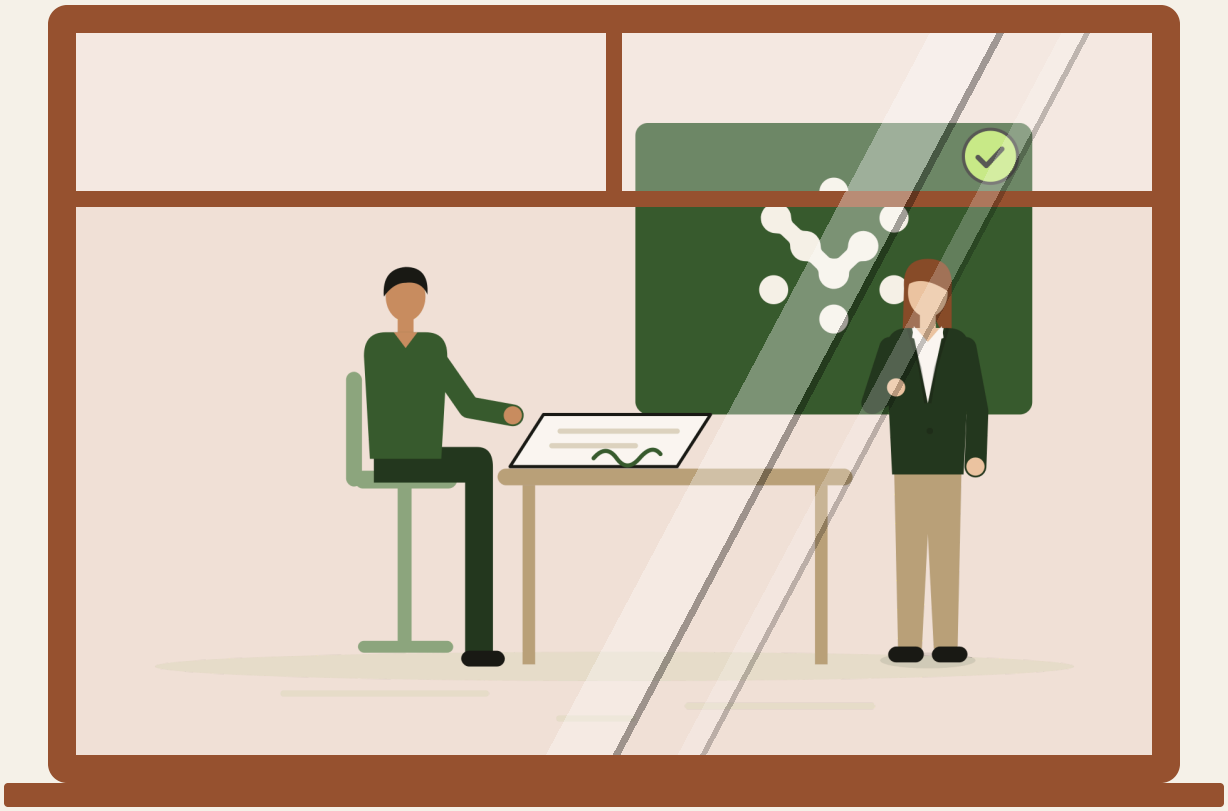
The Market Verdict™

SIMULATION



BRAND INTELLIGENCE REPORT · THE OUTSIDE READ

Starbucks

What public evidence shows customers actually use Starbucks for, set against the coffeehouse it is rebuilding.

BIR Enterprise · Pilot Edition · October 2026 · Sample report: simulation

Public evidence only. Starbucks did not take part, commission or review this report.

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Starbucks is rebuilding a coffeehouse. Most customers use a fast, made-your-way drinks brand.

THE BRAND YOU PLANNED

A community coffeehouse: “the warmth and human connection that defines our brand.” Seats, mugs, names on cups.

WHAT THE PUBLIC EVIDENCE SUPPORTS

A reliable drink, made your way and fast, several times a week. A smaller group uses the café as a place to stay.

Three things worth knowing

1. **About two in three visits are short.** Visits longer than 10 minutes fell from more than 40% in 2023 to about one-third in 2025 (Placer.ai foot-traffic data, reported by Bloomberg) [7].
2. **Ordering ahead keeps growing, even during the coffeehouse push.** Mobile orders were 33% of US company-operated transactions in Q2 FY26, up from 31% a year earlier [3].
3. **The growth is in the cup, not the price.** In Q3 FY26, US transactions rose 4.2% and average ticket 3.6% [1]. Pricing contributed “less than a point” [2]. Add-ons and food did the rest: cold foam sales are up more than 40% [4], and Refreshers grew by double digits [2].

WHAT TO DO FIRST

Treat the café as a segment to measure, not as the brand. Before rolling the uplifts out to 8,000+ stores, show that uplifted stores change behavior: more visits and more customers coming back, not only longer stays.

About this sample. This is a simulation: a Brand Intelligence Report on a real company, built only from public evidence, to show what the outside read looks like. Starbucks did not take part, commission it or see it. It’s our reading of public information, not a statement about Starbucks’ intentions or internal data. Starbucks is a trademark of Starbucks Corporation; we have no affiliation with it. Research date: 23 October 2026, before Starbucks’ Q4 FY26 results on 29 October 2026.

Four findings from public behavior

Each finding says what we saw, where, and how sure we are. What people did counts for more than what they said.

The customer who stays is a minority

A PLANNED CUSTOMER WHO HASN'T SHOWN UP

What we saw	Visits over 10 minutes: more than 40% in 2023, about one-third in 2025 [7]. In Q3 2024, short visits rose 6.8% while total visits fell 1.6% [8]. Mobile orders: 33% of US company-operated transactions, up from 31% [3]. At one Chicago-area store before its uplift, the café made up "about 10%" of sales, according to its manager [9]. The CEO in July 2026: "We think there's more growth in the drive-thru. We think there's more growth in mobile order pickup." [2]
Where	[2] [3] [7] [8] [9]
How sure we are	HIGH · that most visits are short: foot-traffic and company data, 2023–2026. Low on the café's share across the chain: one store.
What it suggests	The customer who sits and stays is real but isn't the core. Seats pay off only if they bring in visits that wouldn't happen otherwise.

Many afternoon drinks aren't coffee

A USE YOU DIDN'T DESIGN FOR

What we saw	CFO, July 2026: "we're seeing people take no caffeine oftentimes in the afternoons." [2] Refreshers is a "$2 billion platform" [4] and grew by double digits [2]. Cold foam is up more than 40%, "especially among Gen Z" [4]. "One in three members who tried a new modification through this benefit reordered it." [2]
Where	[2] [4] [10]
How sure we are	MEDIUM · consistent over two quarters, but all of it is from Starbucks' own disclosures. The reorder rate is the strongest point, because it's repeat buying.
What it suggests	Part of the growth is a treat-and-refresh occasion with little to do with coffee or the coffeehouse.

A fast drive-thru rival is growing much faster

CUSTOMERS GOING TO A COMPETITOR (NOT SHOWN)

What we saw	Dutch Bros' visits grew 12.3% to 17.9% year over year each quarter, against 4.9% to 5.9% at Starbucks (Q4 2025 to Q1 2026, Placer.ai) [11]. Dutch Bros' visits per location held steady, so most of its growth comes from new stores [11].
Where	[8] [11]
How sure we are	LOW · that customers are switching. We saw two chains growing at different speeds, not people moving between them.
What it suggests	Worth watching. It isn't evidence of lost customers; testing that needs data on customers the two share.

The labor dispute keeps coming back, but not in visits

A PAIN THAT KEEPS COMING BACK

What we saw	A nationwide barista strike began in November 2025 [12]. There's still no first contract in October 2026 [13]. A "No Contract, No Coffee" boycott launched on 16 October 2026 [12]. The AFL-CIO and city councils in Philadelphia and Atlanta, plus St. Louis' Board of Aldermen, back it [13]. Yet Red Cup Day 2025, during the strike, drew visits nearly 40% above the year's daily average [13], and same-store visits have risen every month since October 2025 [6].
Where	[6] [12] [13]
How sure we are	MEDIUM · that it's a lasting reputational risk. No evidence yet that it has changed what customers do.
What it suggests	A risk to how people see the brand, not yet a change in behavior. The 2026 holiday season is the next real test.

In their own words

> *"You chose to build a cash-grab drive-through."*

Sara McNally, opinion column, South Seattle Emerald, 23 October 2026, on a Rainier Beach drive-thru that opened in fall 2025 and closed in September 2026 [14]

> *"you'd rather grab and go from a place than a soulless experience"*

Brian Niccol, CEO, quoted by Restaurant Dive, 21 May 2026 [9]. The company's words, not a customer's.

We found few dated, attributable customer quotes. Most are anonymous comments reproduced in roundup articles, so we left them out.

What is Starbucks' Real Brand?

We wrote three genuinely different answers and, before looking, what would show each one wrong. Then we looked.

Possible Real Brand	Wrong if	What we found	Verdict
A. The third place: a comfortable place to sit, meet and stay	Most visits are short or ordered ahead, and added seats don't change behavior	Most visits are short and getting shorter [7]; mobile ordering is up [3]. But one uplifted store reports in-café traffic "roughly doubled" from a low base [9], and afternoon laptop and homework use is real [10].	HOLDS FOR ONE GROUP People who stay, mostly afternoons and weekends
B. A fast drink, made your way, through the app, the drive-thru and the counter	Ordering ahead and the drive-thru fall back, and traffic returns mainly from people staying	Mobile share rose from 31% to 33% [3]. The CEO expects the most growth in the drive-thru and mobile [2]. Ticket growth comes from add-ons and food, not price [2].	HOLDS
C. A Rewards habit: the app is the relationship	Recovery comes mainly from non-members, or members fall while traffic holds	Members spend 59% of US company-operated dollars, unchanged for a year [3]. Members grew 5.6% and transactions 4.2%.* The public numbers can't separate the two groups.	NOT TESTED YET

* Working: 90-day active members 33.9 million in Q3 FY25 [3] → 35.8 million in Q3 FY26 [2] = +5.6%. Comparable transactions +4.2% [1]. These measure different things (people versus visits). Next test: member versus non-member transaction growth, which Starbucks doesn't publish.

A AND B CAN BOTH BE TRUE

The evidence points to B as the main business and A as a smaller, real group. Neither cancels the other.

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Our read, in the same eight fields as the workbook

This is what public evidence supports. It is not confirmed. Crosscheck compares it with your own.

01 · THE REAL BRAND

A dependable drink, made your way and fast, several times a week, with a café that a smaller group uses to stay.

02 · THE JOB (IN CUSTOMERS' WORDS)

Not enough public evidence in customers' own words. What they do points to "my drink, my way, without waiting." That's our paraphrase, not a quote.

03 · THE REAL CUSTOMER

A frequent Rewards member (59% of US company-operated dollars) [3]. The company says brand-affinity gains were "led by Gen Z and millennials" [4].

04 · THE EVIDENCE

Short visits [7][8]; a rising mobile share [3]; growth in add-ons and Refreshers [2][4]; the reorder rate on new modifications [2].

05 · THE PLANNED BRAND

The community coffeehouse: "warmth and human connection" [5], 25,000+ new café seats [15], uplifts at about $150,000 per store [2].

06 · THE NON-NEGOTIABLE

Speed and reliability of the order. Targets: 4 minutes in the café and drive-thru, and a 12-minute mobile promise [4]. Traffic recovered as these were hit, but that's a correlation, not proof.

07 · WHAT YOU ARE NOT

For most customers, not a place to sit: about two in three visits last under 10 minutes [7]. Not a discount brand: Rewards is no longer "a coupon book" [4].

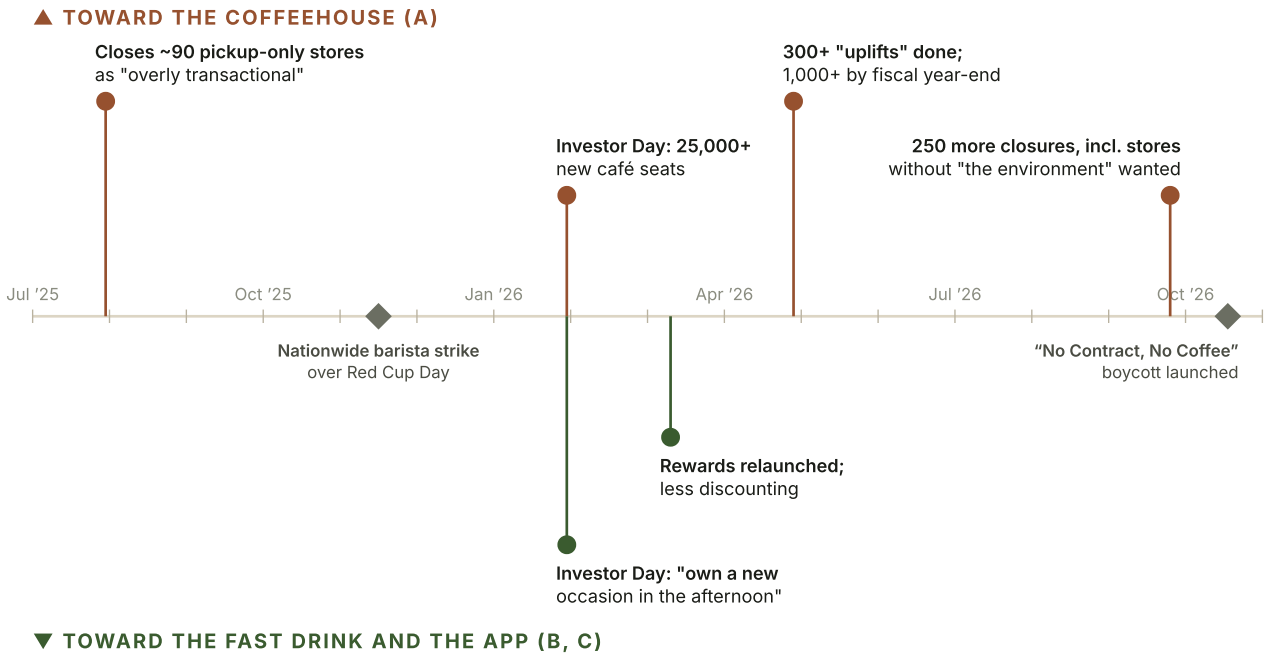
08 · WHAT CHANGES NOW

Measure the café as a segment with its own targets, and let no café investment slow the order down.

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Most big decisions pull toward the coffeehouse. Customers keep moving the other way.

Dated public decisions since July 2025, above or below the line by the direction they move the brand. Grey diamonds mark labor events: a strain on the human connection the brand promises. Not shown: the 627 closures in September 2025 [16], which pruned stores in both directions.



Meanwhile, what customers did: ordering ahead

Mobile orders as a share of US company-operated transactions [3]



The decisions and the behavior point in different directions. That isn't a mistake in itself, since a brand can serve both groups, but it is where drift starts: spending goes to the role the company wants, while customers keep choosing the one they gave it. China retail moving to a licensed joint venture (Q3 FY26) is outside this US read.

06 · WHAT TO DO NEXT

Three actions

1. **Prove the uplift changes behavior, not only the room.**
   Next two quarters · Owner: store development and insights
   Compare about 200 uplifted stores with matched stores not yet uplifted: in-café share of transactions, share of visits over 10 minutes, and visits per Rewards member. Go on only if uplifted stores add visits, not only longer stays.
2. **Make speed the non-negotiable in every café decision.**
   Ongoing, reviewed quarterly · Owner: operations
   Raise the share of stores hitting 4 minutes in the café and drive-thru and 12 minutes for mobile from "about 80%" [4] to 90%, with no fall in mobile share at uplifted stores.
3. **Watch the labor dispute through behavior, not headlines.**
   Holiday 2026 to Q2 FY27 · Owner: brand and insights
   Compare transactions and Rewards activity in cities backing the boycott (Philadelphia, Atlanta, St. Louis) [13] with similar cities, before and after 16 October 2026.

07 · OUR PREDICTION, ON RECORD

What we expect to happen

ILLUSTRATIVE · RECORDED 23 OCTOBER 2026 · CHECK DATE 30 NOVEMBER 2027

Even with the added seats, ordering ahead keeps growing. In Q4 FY2027, mobile orders will be 33% or more of US company-operated transactions.

Right if: the Q4 FY27 figure is 33% or higher.

Wrong if: it is 31% or lower, back to the Q2 FY25 level.

Inconclusive if: it is 32%; Starbucks stops publishing the figure or changes its definition; or a big change to the store base breaks the comparison.

Recorded before the outcome is known. This is a sample report: the prediction is illustrative, not an official Market Verdict prediction. Our first official prediction goes on record on 20 March 2027.

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What this rests on

What we could not see

This assessment is based on publicly available evidence only. It does not include internal financials, customer-level transaction data, or management-provided documents. We did not see your workbook.

What we are least sure about

- The best figure on visit length (about one-third over 10 minutes) comes from one data provider and was reported once, in October 2025, before most uplifts. Placer.ai figures are estimates from a panel of phones, not counts.
- The café's share of sales comes from one store manager.
- Findings 2 and 3 rely mostly on Starbucks' own disclosures, which the company has a stake in.
- We didn't systematically sample reviews or forums. The customer-voice evidence is thin.
- We didn't analyze international markets or China.

Sources

1. Starbucks — "Starbucks Reports Q3 Fiscal Year 2026 Results" — 29 Jul 2026 — comps, transactions, ticket, store counts.
2. Starbucks — Q3 FY26 earnings call transcript — 29 Jul 2026 — drive-thru and mobile growth, the no-caffeine afternoon, pricing, reorder rate, 35.8M members, $150,000 uplifts, China JV.
3. Starbucks — Q2 FY26 Digital IR Dashboard — Apr 2026 — 90-day active members by quarter, 59% Rewards share of tender, mobile share.
4. Starbucks — Q2 FY26 earnings call transcript — 28 Apr 2026 — cold foam, the $2 billion Refreshers platform, wait-time targets, "about 80%", Gen Z, "coupon book".
5. CNN via ABC17 — "Starbucks is shutting down an entire line of cafes" — 30 Jul 2025 — ~90 pickup-only closures, "overly transactional".
6. Placer.ai — "Traffic data suggests Starbucks turnaround is gaining traction" — 23 Jul 2026 — monthly year-over-year visits.
7. Bloomberg — "Starbucks Customers Are Exiting Fast, Not Lingering Over Coffee" — 29 Oct 2025, citing Placer.ai — visits over 10 minutes.
8. Placer.ai — "Starbucks and Dutch Bros: Short Visits Lead the Way" — 31 Oct 2024 — short versus total visits.
9. Restaurant Dive — "Inside Starbucks' atmospheric and experiential renovations" — 21 May 2026 — café share at one store, "roughly doubled", Niccol quote.
10. The Food Institute — "'Back to Starbucks' is Working, But What is it Hiding?" — 11 May 2026; and Starbucks Stories — "Refreshers, refills and drive thru pugs" — 28 May 2026 — the afternoon occasion.
11. NACS Daily, citing Placer.ai — "Starbucks vs. Dutch Bros: Who's on Top?" — 27 Apr 2026 — visit growth.
12. Aviation A2Z — "US Flight Attendants Told to Ditch Their Starbucks Fix in New Union Boycott" — 21 Oct 2026 — boycott launch, November 2025 strike.

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13. Forbes (Pamela N. Danziger) — “Black Cat Frappuccino Arrives As Starbucks Faces A Critical Holiday Test” — 23 Oct 2026 — contract status, endorsements, Red Cup Day 2025.
14. South Seattle Emerald (Sara McNally) — “OPINION: Starbucks Failed Rainier Beach…” — 23 Oct 2026 — the customer quote.
15. Starbucks — “Starbucks Is Back, Turning Momentum Into Long-Term, Sustainable Growth” (Investor Day) — 29 Jan 2026 — seats, the afternoon, the Rewards relaunch, China JV.
16. PBS NewsHour (AP) — “Starbucks to shutter 250 stores in North America…” — 24 Sep 2026 — 250 closures (2026), 627 (2025).

Simulation: a sample report on a real company, from public sources only. Not client work. Starbucks did not take part, commission or review it. Starbucks is a trademark of Starbucks Corporation. The Market Verdict™ does not claim omniscience, internal access, or definitive knowledge of customer intent. It reads publicly available behavioral evidence and applies a structured interpretation framework to it.

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