

Starbucks: Free Wi-Fi at 6,700 US sites

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In this Nov. 2, 2009 file photo, customers enter a Starbucks coffee shop in Arlington, Mass. Starbucks Corp. will begin offering unlimited free wireless Internet access at all company-operated U.S. locations starting July 1, 2010, part of an ongoing effort to bring more customers in the door.(AP Photo/Elise Amendola, file)

(AP) -- Starbucks Corp. will begin offering unlimited free wireless Internet access at all company-operated U.S. locations starting July 1, part of an ongoing effort to bring more customers in the door.

The Wi-Fi access, which will eventually include a new network of news and entertainment content exclusively for customers, comes as <u>Starbucks</u> works to take business back from rivals like McDonald's Corp. and independent cafes that have long offered free Internet.

The cafe chain, which recorded its first quarterly increase in customers



in 13 quarters earlier this year, had previously offered two free hours of Web access each day to registered customers.

On average, laptop users spend about an hour using the wireless Internet in Starbucks stores while mobile phone users who can use Wi-Fi spend about 15 minutes on the network.

After the two-hour window, consumers at the Seattle chain were charged \$3.99 for two additional hours.

Officials said Monday that access will continue to be offered through AT&T. But it won't require a Starbucks loyalty card, according to the announcement Monday by CEO Howard Schultz, who spoke at a conference in New York.

The move comes six months after Starbucks' competitor McDonald's Corp. began offering free Wi-Fi at 11,500 U.S. locations.

The two companies have sparred in recent years at McDonald's revamped its coffee and rolled out a successful McCafe line offering everything from drip coffee and lattes to cappuccinos to icy coffee drinks.

Along the way, Starbucks struggled as it was hit by the recession and overwhelmed by its own rapid expansion.

As business soured, it brought back Schultz, who helped build the company, to lead the day-to-day operations. And it shut hundreds of locations and laid off thousands of workers to scale back its spending.

Also Monday, Starbucks said customers will get free access to certain online content through its Wi-Fi this fall. Called the Starbucks Digital Network, the program is a partnership with Yahoo that will give



Starbucks Web surfers free access to paid sites like the Wall Street Journal, along with exclusive content and free downloads from other organizations such as Apple Inc.'s iTunes, The New York Times, Patch, USA Today and Zagat.

Starbucks shares climbed 41 cents, or 1.5 percent, to \$27.56 in midday trading Monday.

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