

# Starbucks hopes free songs, e-books lure customers

October 20 2010, By EMILY FREDRIX , AP Retail Writer

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In this screen-shot provided by Starbucks Corp., the website for Starbuck's Digital Network is displayed on an Apple iPad. Starbucks Corp. is launching its digital network on Wednesday, Oct. 20, 2010, giving users free access to some paid sites such as the Wall Street Journal, free e-books and other content to better compete with its rivals. (AP Photo/Starbucks Corp.) NO SALES

(AP) -- Starbucks is adding a venti-sized dollop of free books, news and entertainment to its Internet offerings starting Wednesday.

The coffee chain's new digital network promises customers free e-books, movies and other exclusives, including free access to some paid Web sites such as The Wall Street Journal, is meant to get customers spending more on drinks and content they buy through the site.

The move comes as Starbucks faces steep competition from McDonald's Corp. and other fast-food chains pushing increasingly fancy coffee drinks. But it also offers Starbucks a chance to make money by selling songs, e-books and other material to customers who linger over its free Wi-Fi, which saw 30 million log-ins last month.

Starbucks Corp. started offering free [wireless Internet access](#) in July. The new network, a partnership with Yahoo, is the next step in its strategy.

Customers will see the network as soon as they connect to Starbucks' Internet on their smart phones, computer or tablets, such as the [iPad](#). A welcome page allows customers to scroll through various sections including entertainment, wellness, business and careers, and "my neighborhood," where they can find community news, restaurant reviews and more.

Other partners also include Apple Inc.'s iTunes, The New York Times, Patch, USA Today and Zagat. The offerings include advance copies of books, through deals with publishers such as HarperCollins and Penguin Group books, and iTunes downloads.

Most of the free content - from movies to books and news - can be read or viewed only in Starbucks. The content was designed so it could be consumed in small doses, anywhere from five minutes to 20. That way, people either want to buy the content outright to take with them, or return to Starbucks again. The sites were designed to remember where people leave off in a book or a movie, so picking it back up is seamless.

When customers buy the content, say a newspaper subscription or an e-book, Starbucks makes money by taking a cut of the sale. The company declined to specify its share.

The companies designed the site and its content to be consumed in smaller bits after observing customers, said Burke Culligan, vice president of product management at Yahoo.

"Users across the Internet are moving more into this 'snackable behavior' to begin with," he said.

The company, based in Seattle, worked to get content its customers wouldn't find anywhere else so people have a reason to go to Starbucks beyond the coffee, said Adam Brotman, vice president of Starbucks Digital Ventures.

Through iTunes, [Starbucks](#) will offer free music downloads, including a new digital way to download the coffee chain's free song of the week. Previously, people had to pick up cards with codes in stores. Now, they log on, click a few buttons and get the song, which can be played outside of stores.

The network also offers books through the "Bookish Reading Club" (a partnership with publishers HarperCollins, Penguin Group and more) and films through SnagFilms. In both cases, the content often is released on the network before its official release.

Plans call for other kinds of shopping to be added but will be rolled out farther down the road.

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