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# Dunkin' Donuts Goes on Assault Against Starbucks' Newest Technology

By [Brian Sozzi Follow](#) | 04/28/16 - 09:34 AM EDT

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Dunkin' Donuts is taking aim at **Starbucks'** ([SBUX](#) - [Get Report](#)) successful new [mobile order](#) and pay technology.

The coffee and donut chain, which is a division of **Dunkin' Brands** ([DNKN](#) - [Get Report](#)), said Thursday it will launch its new On-the-Go (picture of the app below) ordering technology throughout its 1,650 metro New York locations by mid-May.

Available to the fast-food chain's over 4.6 million digital rewards program members, a user can place a mobile order up to 24 hours in advance, select a desired pickup location and then schedule when he or she wants to pick up the order. Once in the store, customers can skip the line and pick up their orders from a designated area.

Dunkin's On-the-Go ordering feature was originally tested at 100 stores in Portland, Maine, at the end of 2015. More recently, Dunkin brought the capability to 28 locations in its home market of Boston.

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Judging by the success Starbucks has had with its mobile order and pay technology -- which allows a person to pay in advance and then pick up an order -- since it went [nationwide last fall](#), Dunkin' may see a nice sales lift from making it even easier to order coffee and sandwiches. The technology should also help alleviate crazy, long lines in the key morning hours at Dunkin', which will go a long way to improving customer satisfaction.

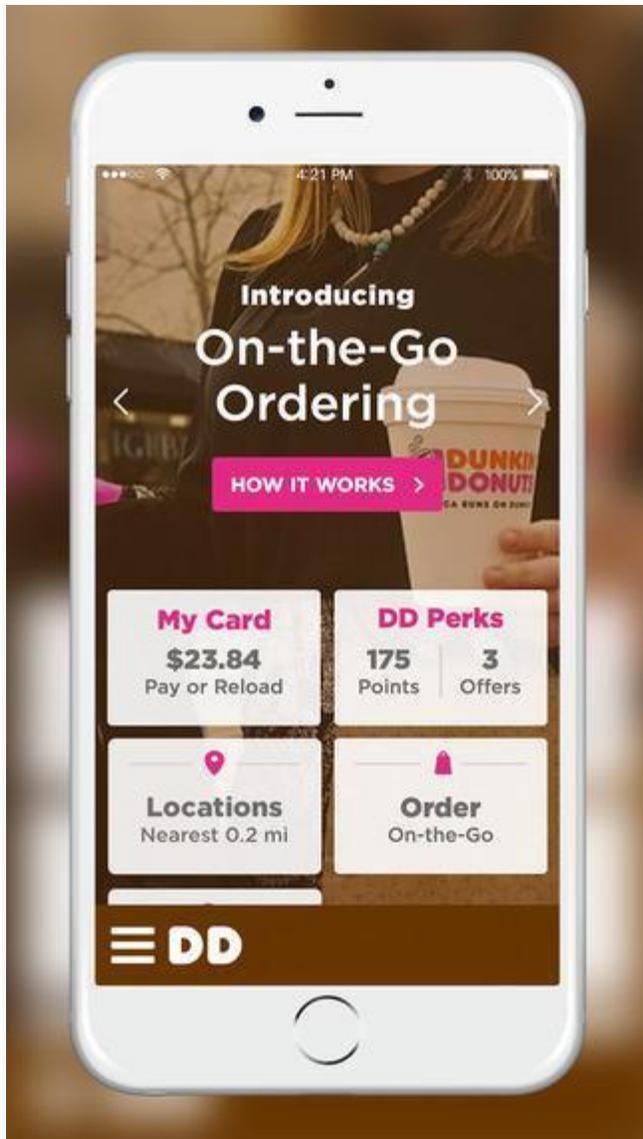
For the [second fiscal quarter](#) ended March 27, Starbucks said mobile order and pay transactions represented about 4% of total U.S. transactions, an increase of 40% sequentially. At its 300 busiest urban U.S. stores, mobile order and pay represents 10% of transactions.

"What we're seeing is in those busiest stores at peak [times], mobile order and pay is driving significant productivity and throughput," said Starbucks Executive Vice President and Chief Financial Officer Scott Maw to analysts [on an April 21 call](#).

The use of technology by Starbucks is one of the many reasons Wall Street [generally remains bullish](#) on the stock.

"We continue to view Starbucks as a core holding and remain bullish in the long term," said Jim Cramer and Jack Mohr of the [Action Alerts PLUS portfolio](#), which holds Starbucks, in an April 21 note. "Going forward, management has several long-term growth levers at its disposal (mobile, corporate partnerships, loyalty program, China, etc.), which, in addition to its existing competitive moat, give us confidence that the company -- led by founder and [CEO Howard Schultz](#) -- will continue to create sustainable, consistent value for shareholders."

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