



Rewarding LOYALTY

Keep your customers coming back with a loyalty reward program.

By Linda Duke

Loyalty programs are a wonderful way for pizzeria operators to thank their most important guests and increase customer frequency. Fortunately, 93% of Americans eat at least one pizza per month, which makes almost anyone a loyal pizza lover. The trick is getting those customers to turn into loyal fans of your brand.

According to a survey conducted by the National Restaurant Association, 50% of restaurant customers said they'd be more likely to patronize a restaurant that had a loyalty program. But when you ask most operators, they say, "We used to have a loyalty program" or "We haven't tried to offer one," and have not seen the actual results a loyalty program can create. Loyalty programs help your

restaurant increase marketing efficiency and give you a competitive advantage.

Of course, setting up a loyalty program provides challenges as well. For example, these programs take time to develop. Loyalty programs require that you maintain relationships with your loyal guests and create a personalized experience that recognizes each as an important asset. This doesn't happen overnight.

Below is an eight-step marketing plan that you can follow to create your own loyalty program:

1. Define the terms, conditions and rewards of your loyalty program. Here are some general ideas to get started:

- Give members exclusive access to events. Do you host live music or events? Do you offer tastings or focus group opportunities for guests?
- Send a free newsletter to members—connect with the loyalty card club holders.
- Upgrade member cards for better rewards the more frequently they use their cards.



Daphne's Greek Cafe created a loyalty rewards program, Pita Points. Guests receive one point for every dollar spent at any Daphne's Greek Cafe location. Once a customer earns 200 points, he receives \$10 off his next purchase just for being a loyal guest! By enrolling in the Pita Points program, the guest also receives monthly offers, as well as special gifts on his birthday and membership anniversary.

- Offer entries to grand prizes—such as a spa trip, a \$300 gift card for your restaurant, or a vacation for two—for those who use their cards regularly.
- Give members points for every dollar they spend, and give increased rewards depending on how much more they spend.
- Give loyalty card members something free with every number of certain items purchased (i.e., “buy 11 pizzas, get the 12th pizza free”).
- Let members use points like cash.
- Start a club program that members pay for monthly. Give members free specials, to-go orders, dinner for two or other offers during the month for which they pay.
- “Soft” offers are great perks—and cost-effective. These can be complimentary valet parking, recognizing guests on arrival, guaranteed reservations and/or preferred seating.
- Cards can also give customers members-only emails, such as gifts on birthdays and exclusive access to recipes.

2. Choose the type of cards to use for the loyalty program.

- Plastic swipe cards: These cards, like plastic gift cards, allow the card to be swiped into your POS system to instantly add points, view card progress and track results.
- Paper cards: A more affordable option, this type can be punched or stamped each time the member brings it into your restaurant. With these cards, the member should be required to sign up in-store or online so you can capture names and email addresses.
- If you decide to start a club membership program, have users sign up online or in-store and provide their credit card information. Bill them each month for receiving their club benefits.

3. Decide how loyalty cardholder members will sign up. They can sign up in-store, online or both. If card members can sign up in-store, have each applicant provide his name, phone number, email address, birthday and any other relevant information. Make these applications printable from your website, as well as available in-store. Note: If users must sign up online, provide cards in-store and have the cardholder use bar code numbers to track results.

4. Give customers a reason to sign up. Customers want to be told instantly why they should sign up for your program. Let them know what they get and why they should sign up.

5. Create in-store displays with brochures to promote the loyalty cards. Give employees incentives for offering the cards to guests. Also use table tents and to-go bag stuffers to get new and

returning customers to sign up. Make sure to also display the cards on your website.

6. Send an email blast to your current guests. If you have an existing database of guests who have already signed up for an email program, send a special invitation email to them to invite them to join your loyalty program.

7. Be patient. Loyalty programs take time to build, and results will not be seen in a quarter. However, if you stick with your program, you will see increases in sales, check averages, frequency of visits, and overall changes in customer behavior over time.

8. Track results. The best part about loyalty programs: You get to know your guests. Learning about their behavior and spending patterns helps create programs tailored to their individual desires. These loyal guests become brand ambassadors and can provide you with valuable insights through online surveys, in-store focus groups, or recommendations and ideas.

- Inform the customer of his progress when he uses his loyalty card. Customers will spend more money and use their cards more if they know that they are getting closer to their goals.
- Reward customers with food to give them tangible evidence of their progress.
- Don't discount your product. Your loyal guests are not bargain shoppers. They love the taste of your food and will pay for it.
- Loyalty programs should not cost you a fortune. Think of rewards that you can give to customers without breaking your wallet.
- Make sure that your employees know how to use the register to track the results of your loyalty program. 🍕



Linda Duke is CEO of Duke Marketing, which she founded in 1987 and specializes in marketing for multilocation and franchise organizations. Duke has consulted with top restaurant brands in the United States, and is a nationally recognized speaker, educator and published author of Recipes for Restaurateurs (marketing-cookbook.com).



Build your loyalty base in-store with a contest, and provide entry slips to capture guest email. Firewood Café, a four-unit pizza brand, gave away pizza for a year and garnered more than 300 new members to its loyalty club in one week.

Rubio's Beach Club is a great example of a loyalty program and easy to execute with the help of the email club.



Beach Club members receive special offers and invitations, as well as promotional coupons to print out and use.



Keeping Them Loyal

Searching for a loyalty solution? Start here.
The Loyalty Coach, 901-435-0424, loyaltycoach.com
Moving Targets, 800-926-2451, movingtargets.com
Our Pizza Club, 866-657-5426, ourpizzaclub.com
Repeat Returns, 702-966-3001, repeatreturns.com
Repeat Rewards, 866- 876-2737, repeatrewards.com
Synergy Brand Management, 800-395-2272, synergybrandmanagement.com
Total Loyalty Solutions, 877-509-7070, totalloyalty.com