

The background of the entire page is a light gray gradient, decorated with numerous realistic water droplets of various sizes. Some droplets are large and prominent, while others are small and scattered. The droplets have highlights and shadows, giving them a three-dimensional appearance.

# NEXTGEN LOYALTY PROGRAMS: A RESTAURANT REVOLUTION?

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**CONGRATULATIONS!**

IT'S NOT EVERY DAY YOU SEE THE WORLD'S  
UGLIEST POWERPOINT PRESENTATION!

# WHO IS THIS GUY?

- 35 YEARS OF COVERING RESTAURANTS
- 38<sup>TH</sup> NATIONAL RESTAURANT ASSOCIATION SHOW!
- CLEAR RECOLLECTION OF EARLY LOYALTY PROGRAMS
  - REQUIREMENTS: PIECE OF CARDBOARD AND A HOLE PUNCH

# WHAT'S DIFFERENT?

- JUST ABOUT EVERYTHING
  - WHAT A CUSTOMER CARRIES
    - I.E., NOTHING ADDITIONAL
  - HOW CUSTOMERS LOG PURCHASES
  - HOW PURCHASES ARE TABULATED
  - HOW PURCHASES ARE REDEEMED

# BIGGEST DIFFERENCE

- HOW MUCH INFORMATION IS CAPTURED
  - TODAY'S LOYALTY PROGRAM GENERATES DETAILED INFORMATION ABOUT A CUSTOMER AND HIS OR HER PREFERENCES
    - WITH THE CAPABILITIES OF TODAY'S TECHNOLOGY, MESSAGES CAN BE TAILORED AND DISPATCHED TO EACH PATRON
      - ONE TO ONE MARKETING
        - EXAMPLE: MEATLESS BURGERS

# WHAT'S THE UPSHOT?

- RESTAURANTS ARE INVESTING TIME AND MONEY IN DEVELOPING STATE-OF-THE-ART PROGRAMS
- AND THEY'RE SPENDING A GREAT DEAL OF TIME AND MONEY ON
  - SIGNING UP PARTICIPANTS
  - GETTING THEM TO USE THEIR "CARD" WHEN MAKING A PURCHASE

# A SENSE OF THAT:

- STARBUCKS HAS 15.3 MILLION MEMBERS IN ITS STARBUCKS REWARDS PROGRAM
- IN CANADA, ONE OF EVERY FIVE CONSUMERS HAS DOWNLOADED A TIM HORTONS LOYALTY APP
- BLOOMIN' BRANDS HAS 8.5 MILLION MEMBERS

# COME-ONS ARE ALREADY BEING TAILORED

- STARBUCKS SAYS THAT MEMBERS ACCOUNT FOR 40% OF ITS SALES
- BLOOMIN' CUTS MARKETING BY \$25 MILLION



# HOW MANY APPS CAN FIT ON A PHONE?

- HOW DO YOU GET THEM TO USE YOURS?

# RACE IS ON TO DIFFERENTIATE THE BENEFITS

- CHILI'S PROVIDES A FREEBIE FOR EVERY VISIT BY A LOYALTY-PROGRAM MEMBER
  - CHIPS AND SALSA OR A SOFT DRINK
- DOMINO'S AWARDS POINTS FOR ANY PIZZA THAT'S PURCHASED, INCLUDING THE ONES SOLD BY COMPETITORS—OR EVEN THE GROCERY STORE
- COOPER'S HAWK PROVIDES POINTS TO WINE-CLUB MEMBERS WHO BUY A FAVORITE VINTAGE AT RUTH'S CHRIS

# AND STILL MORE ARE APPEARING

- CHIPOTLE SWEETENED ITS OFFER TO 15 POINTS FOR EVERY DOLLAR THAT'S SPENT
- PAPA JOHN'S SAYS ITS NEW PROGRAM ENABLES LOYALTY PROGRAM MEMBERS TO EARN A REWARD IN ONE-FIFTH THE TIME OF THE ONE IT REPLACED
- OUTBACK ALLOWS MEMBERS TO REDEEM THEIR POINTS AT ANY BLOOMIN' RESTAURANT, AND VICE-VERSA
- BURGER KING'S COFFEE SUBSCRIPTION SERVICE

# WHAT HASN'T WORKED?

- ALLOWING PATRONS TO USE THEIR CREDITS OUTSIDE OF RESTAURANTS
  - CHILI'S TRIED A PROGRAM WHERE YOU COULD EVEN USE POINTS TO BUY GAS
  - STARBUCKS TALKED ABOUT ALLOWING PATRONS TO USE POINTS FOR UBER RIDES

# REGARDLESS OF THE PRIZE, A MAJOR CHALLENGE EXISTS

- HOW DO YOU GET CUSTOMERS TO SIGN UP FOR THESE NEW PROGRAMS?

LETTUCE ENTERTAIN YOU OFFERED SERVERS A \$5 BOUNTY FOR SIGN-UPS

PORTILLO'S PROVIDES ENROLLEES WITH A FREE SLICE OF ITS CHOCOLATE CAKE

DISCOUNT COUPONS INCLUDED IN DELIVERY ORDERS

# THAT'S JUST ONE CHALLENGE

- HOW DO YOU HANDLE THIRD-PARTY DELIVERY?
  - SOME OF THE SERVICES HAVE THEIR OWN FREQUENT USER PROGRAMS
  - WHO GETS TO RECORD THAT VISIT?
  - MORE IMPORTANT, WHO GETS TO CAPTURE THAT DATA?

# SO WHAT'S AHEAD?

- NEGOTIATING SOME SOLUTION TO THAT QUESTION OF WHO GETS INFO ON THIRD-PARTY ORDERS
- ALLOWING PARTICIPANTS TO GIFT POINTS, THE WAY SOME AIRLINE FREQUENCY PROGRAMS DO
  - MOD PIZZA AND B.GOOD BOTH ALLOW THEIR MEMBERS TO GIFT THE FREE FOOD TO CHARITIES

# MORE AND MORE SERVICES

- DUNKIN' LETS MEMBERS JUMP THE DRIVE-THRU LANE AND USE A SPECIAL DEDICATED PICK-UP WINDOW
- MORE AND MORE BELLS AND WHISTLES TO IN THE APPS
  - RED LOBSTER HAS ADDED A WAITLIST FEATURE THAT CUSTOMERS CAN USE



# TECHNOLOGY IS ALSO EXPANDING POSSIBILITIES

- A NEW BUZZ PHRASE IS OMNICHANNEL ORDERING
  - WHATEVER METHOD A CUSTOMER WANTS TO USE, THEY CAN
  - HOW ARE THOSE TRANSACTIONS CAPTURED AND RECORDED?
    - "ALEXA, LOG THIS PURCHASE"?

# AND SMART PHONES ARE JUST SO OLD SCHOOL

- FACIAL RECOGNITION IS A REALITY
  - CONTROVERSIES PERSIST
  - BUT THE CAPABILITIES ARE THERE
- OTHER BIOMETRICS?
- RFID?

# NEW CAPABILITIES FOR OPERATORS, TOO

- COULD LOYALTY PROGRAMS BECOME SITE SELECTION AIDS?

# YET LOOK FOR MORE CONVERTS

- A FREQUENT-GUEST PROGRAM FOR MCDONALD'S?
- EVOLUTION IS A CONSTANT FOR LOYALTY PROGRAMS

# YOUR TURN!

- QUESTIONS, COMMENTS, CHALLENGES?