

Why Loyalty Matters

Foodservice

HELPS SOLVE KEY BUSINESS CHALLENGES



Recruit new consumers



Increase purchase volume per visit



Win back lapsed consumers



Increase visits



Drive awareness of new products and services

Loyalty Basics

If convenience and pricing are comparable, consumers will choose the store/restaurant where they have a loyalty program to get the added benefit of the rewards

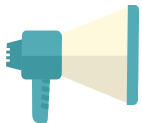
Bonding with consumers with an **engaging program** generates true brand loyalty

Digital reward programs are preferable over physical ones



Frequency of product use and visits is key to ongoing engagement

Promotions play a big role in motivating purchase decisions



What Consumers Want

IMMEDIATE REWARD: Sign-up bonuses (discount or free time) are expected and drive program enrollment

ONGOING PROMOTIONS: Regular double rewards days or tiered programs are key for continued use

FAST REDEMPTION TIMING: Consumers hope to get free or heavily discounted items quickly

VARIETY: Different ways to earn and redeem rewards increases relevance

PERCEIVED VALUE: Consumers hope to receive back from the program equivalent to the effort put in

PERSONALIZATION: Relevant offers make consumers feel valued

Build A Best-in-Class Loyalty Program

Using behavioral science principles

MAKE IT RELEVANT



Provide Personalization (IMPLICIT EGOTISM)

Build Tiers To Provide A Sense Of Status (DESIRE FOR STATUS)

KEEP THEM ENGAGED



Nudge Signups (FREE, IMMEDIATE & HEDONIC)

Make Reward Tiers Attainable (DISTRIBUTIVE JUSTICE)

Always Show the Finish Line (GOAL GRADIENT)

Try Chance-based Promotions for Heavy Users (LUCKY LOYALTY EFFECT)

REWARD THEM



Entice & Engage with Rewards (VARIABLE REWARDS)

Provide Multiple Gains (SEGREGATE REWARDS)



Restaurant Loyalty Key Findings

Have a higher percentage of active members than other categories

Are most often points-based

Members are more likely to recommend these programs

Members are more likely to be enrolled in multiple QSR loyalty programs



Green font = over-index to Category Average (>120) | Orange font = under-index to Category Average (<80) *Not indexed Base: Varies (See above) S2. Program Awareness, S3. Program Involvement, Q6. Likelihood to Recommend, Q1. Type of Program Membership, Q4. Brand Membership, Q5. Brand Usage

Foodservice Program Preferences

LIKE ABOUT LOYALTY PROGRAMS:



57%
EARNING POINTS FOR FUTURE USE

40%
FREE GIFTS OR SAMPLES

51%
FEEL REWARDED FOR SPENDING MONEY

TOP TWO PREFERRED REWARDS:



71%
FREE FOOD

49%
DISCOUNTS ON FOOD

BARRIERS IN LOYALTY:



43%
DON'T VISIT ENOUGH TO WARRANT A LOYALTY PROGRAM

17%
DON'T LIKE TO DOWNLOAD APPS

INCREASE USE BY:



13%
INTEGRATE WITH APPLE PAY/ DIGITAL WALLET

21%
UPGRADED FOOD

A VALUABLE OPPORTUNITY

(Among Gen Pop Aware of Restaurant Programs, n=619)



YET, OF PEOPLE THAT ARE AWARE OF LOYALTY PROGRAMS,

52% ARE NOT ACTIVELY USING THEM

After reviewing the information in this one-pager, **your NEXT STEPS are:**

STEP 1

View the Loyalty Microsite for behavioral science principles, qualitative and quantitative research and channel-specific content.

STEP 2

Use the information and resources to create a best-in-class loyalty program for your customer(s).