



STRENGTHEN
YOUR BOTTOM LINE
WITH A QUALITY CUSTOMER
LOYALTY PROGRAM

Customer loyalty programs are enormously popular in restaurants all over the world. Owners and operators know this customer-engaging marketing strategy has a potent capability to expand your customer base and extend the average lifetime of your customers.

When executed properly, a loyalty program can turn your occasional customers into frequent patrons, increase your per-person-average, and elevate your bottom line. The audience may be smaller in terms of your overall marketing efforts, but that shouldn't discourage you. These participants have opted in. They expect and are ready to receive your offers, updates, coupons, and messages. And they are the ones who are going to actively engage with them.

Are you currently offering a customer loyalty program? Is it truly working for your establishment? Are you seeing a positive ROI? Do you have the means to collect and measure the data that can tell you these things?

Let's talk about how you can create a successful customer loyalty program or make your current loyalty program even better!





WHY CUSTOMER LOYALTY PROGRAMS ARE GREAT FOR YOUR BUSINESS

According to Bain & Company, one of the world's top business consulting firms, "Return customers tend to buy more from a company over time. As they do, your operating costs to serve them decline. What's more, return customers refer others to your company. And they'll often pay a premium to continue to do business with you rather than switch to a competitor with whom they're neither familiar nor comfortable."

According to Destination CRM, a 2 percent increase in customer retention has the same effect on profits as cutting costs by 10 percent, while a 5 percent reduction in customer defection rate can increase profits by 25-125 percent, depending on the industry.

The thing to keep in mind is that the worth of a loyalty program is not determined by the number of signups you receive. Rather, the true value lies in maintaining engagement, increasing repeat visit rates, and allowing your customers to engage with you when and where they wish to do so.

Loyalty programs are also a great way to enhance your omni-channel marketing

experience. They provide an unobtrusive marketing channel to help increase and maintain engagement with your customers. They focus on customers who have already shown a strong interest in your restaurant, so your messaging can have even more of an impact with much more personal communication, branded with your establishment's consistent messaging and voice.

Today's customers don't want to be bombarded by unexpected messages and notifications. **Loyalty programs allow the customer to interact with your business when and where they wish to do so.** Plus, who doesn't like to feel that they are part of something exclusive? Customers are much more likely to purchase from an establishment that makes them feel special.

On the surface, loyalty programs are there to generate repeat customers, but they're a crucial piece of the puzzle to increase sales and give your customers a more personalized and emotive experience. If you are currently running a loyalty program, you're definitely on the right track.



CHALLENGES OF RUNNING A CUSTOMER LOYALTY PROGRAM

Measuring **tangible** ROI from your loyalty program is vital to its success. According to the IBM Corporation, one of the main challenges of running a customer loyalty program is that, typically, there is no cross-channel customer identification, so individual visit attribution is extremely difficult to allocate.

Being able to understand customer loyalty based on customer touch points is key to measuring the success of your loyalty program vs. other omni-channel avenues. If the customer came to your restaurant for another reason, such as being attracted by an advertisement or another deal, then you're not rewarding them for their loyalty, you're simply rewarding them for having signed up for your loyalty program.

According to an article by the Harvard Business Review, managers must ensure that their loyalty programs are incentive compatible, designed so it is in your customers' best interests to be loyal. A program should reward the use of the card over time rather than on a given purchase occasion, and it should discriminate between more and less loyal customers in the size of its rewards.

In addition to the challenges of tracking and measuring your loyalty program, other common issues include:

- Customers have difficulty joining the program
- Customer find the program too complicated to use
- The program is not personalized for the customer
- There is no offsite engagement with a loyalty program alone¹

The Harvard Business Review further explains that keeping track of the profitability of the customers is paramount. Companies reward loyalty because they believe it leads to profits. By tracking profits directly, a company can better target its rewards.

Unfortunately, tracking the profitability of a loyalty program is not always a piece of cake for restaurant owners and managers. As mentioned above, you don't know how or why a customer decided to come back in to your restaurant. You only know that they did, and that they added to their loyalty program visit/points count on that occasion.

¹ *Toast Restaurant Management Blog*



HELP! WHAT CAN I DO?

Whether you have a loyalty program in place or you're thinking about implementing one, you're definitely thinking the right way in terms of building your customer base and repeat visitors to help you increase profits. Even with the challenges we just touched on, you're still making the right decision by offering the program. Loyalty programs can be a gold mine for business when executed properly and measured precisely.

But how can you overcome these challenges and be able to track your efforts with reliable analytics that show you tangible ROI and allow you to manage the program effectively?

This is where Bloom Intelligence can help you.

If you have a program in place, we can help you make it even better. And if you don't currently offer a loyalty program, the Bloom Intelligence platform can BE your customer loyalty program.

You'll be able to track customer behavior, demographics and business analytics from customers who are actually at your brick-and-mortar establishment, as soon as they walk

through your door. Using commercial-grade Wi-Fi sensors and state-of-the-art software, you'll quickly and easily see analytics that can prove tangible ROI and omni-channel marketing outcomes, while gathering real-time market research data.

You can also onboard new loyalty program members by asking users to download your mobile app before gaining access to your Wi-Fi, or syncing our registration to your loyalty program database. If you're a Bloom customer, we'll update your Wi-Fi landing page anytime at no additional cost to you. And if you have customers who simply will not download your mobile app, you can now communicate with them and track ROI through the Bloom platform.

If you don't currently have a loyalty program, you can have your new program set up and running in just minutes. Everything is tracked, logged and sent through custom algorithm sets, and you'll begin seeing that powerful, valuable data immediately.

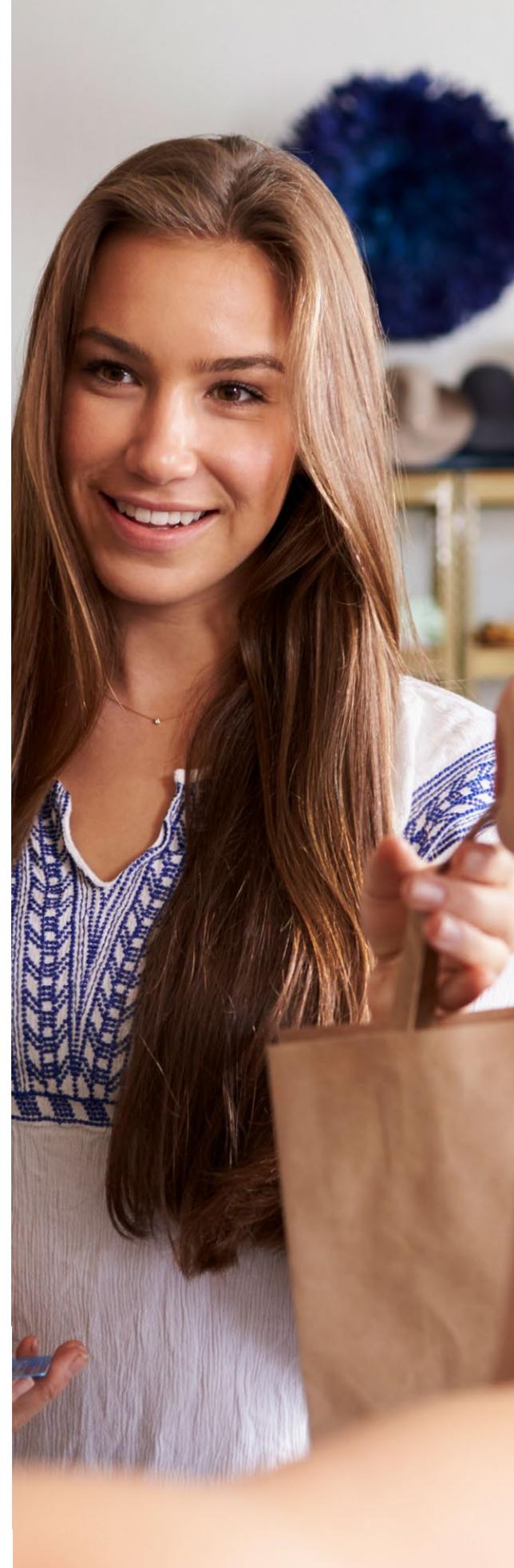
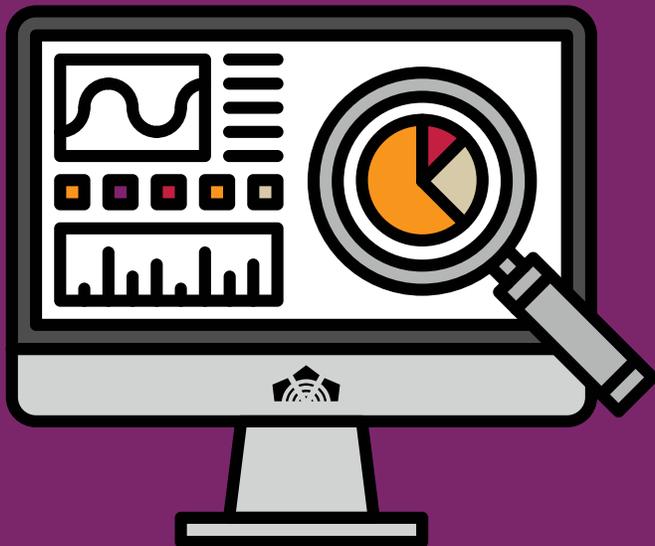
Bloom's analytics are presence aware without requiring users to use an app or present a

card. Similar to using Google Analytics code on your website to track online visitor behavior, Bloom uses a person's cell phone to track their behavior offline when they are at your location(s). So you can think of Bloom's Analytics as Google Analytics for offline physical locations, with a variety of other valuable features.

For instance, **we track your customer visits for you and can trigger an automatic message with an offer or rating based on individual customer behavior.**

You can send them an automated message once they reach your predetermined visit count, for instance. You literally set it and forget it, and Bloom will handle the rest.

When a customer redeems the offer, we'll track that data too, allowing you to measure the tangible ROI you need to manage your loyalty program effectively.





DO YOU REALLY NEED A LOYALTY PROGRAM?

The short answer is, 100%!

But it is impossible to overstate the importance of finding a presence-aware solution to collect and measure your customer loyalty metrics. We suggest considering a solution that integrates with and complements the free Wi-Fi you're already giving to your guests.

Whether you already have a customer loyalty program, or you're thinking about creating one,

it's crucial to understand what elements to include in the program, what value exchange to consider, and how you're going to measure results with accurate location-based analytics.

When you have easy access to insights about how frequently your guests visit, what they typically purchase, and how much they spend, you can target your messaging and offers with ease and precision to help you and your restaurant achieve the best possible results.





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