



REDUCING CUSTOMER CHURN AND

SAVING AT-RISK RESTAURANT CUSTOMERS:

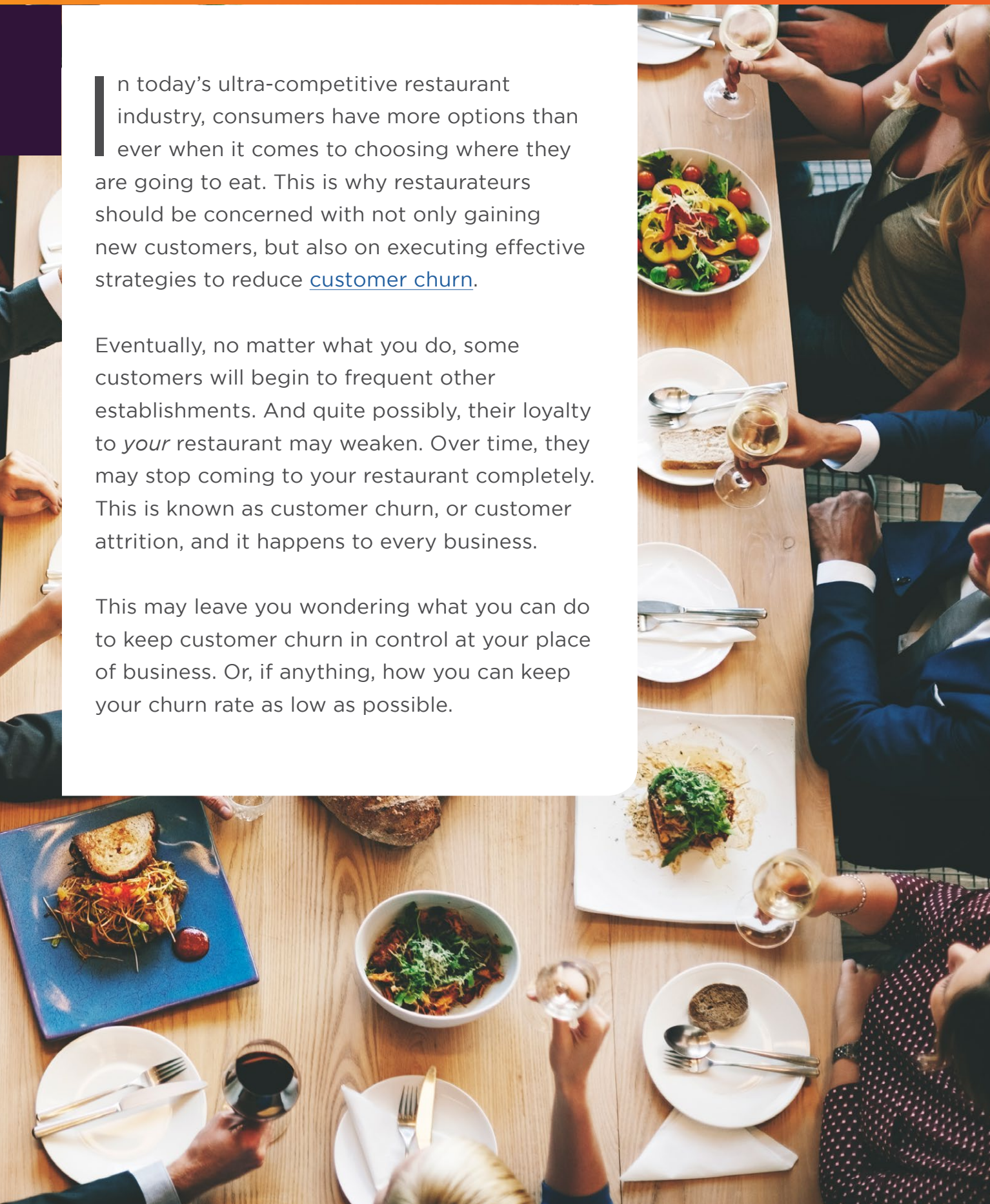
A BLOOM INTELLIGENCE SUCCESS REPORT



In today's ultra-competitive restaurant industry, consumers have more options than ever when it comes to choosing where they are going to eat. This is why restaurateurs should be concerned with not only gaining new customers, but also on executing effective strategies to reduce [customer churn](#).

Eventually, no matter what you do, some customers will begin to frequent other establishments. And quite possibly, their loyalty to *your* restaurant may weaken. Over time, they may stop coming to your restaurant completely. This is known as customer churn, or customer attrition, and it happens to every business.

This may leave you wondering what you can do to keep customer churn in control at your place of business. Or, if anything, how you can keep your churn rate as low as possible.



IDENTIFYING
**CUSTOMER
CHURN**

With the Bloom Intelligence WiFi marketing and customer intelligence hub, brick-and-mortar businesses have the ability to track customer behavior data at their physical locations – even if customers don't log into WiFi. This means that **restaurateurs can see actual customer behavior data on a vast majority of their clientele using Bloom's sensors to collect WiFi analytics**, which include:

- ➔ **Daily traffic counts**
- ➔ **Dwell times and dwell times by hour of the day**
- ➔ **First-time visitors and first-time visitor return rates**
- ➔ **Average customer repeat rates**
- ➔ **Average customer churn rates**
- ➔ **Popular visit times and more**



When a customer does log into your WiFi access point, Bloom will create a detailed [customer profile](#) for that patron. **The customer profile includes specific customer information, such as age and gender, birthday, phone number, zip code and much more.** Over time you can passively build a customer list of tens, or even hundreds of thousands of detailed customer profiles.



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The customer only has to log into WiFi once, and their behavior will be tracked in their customer profile whether they ever log back in or not.

Bloom's intelligent algorithm sets are monitoring each customer's frequency distribution, individually and as a whole, to understand your customer

attrition rate. **By analyzing customer frequency, the platform is able to accurately predict when a customer should be returning for another visit.** If the customer does not return by that date, they are identified as a customer that is “At-Risk” of churning and tagged as such in the database.

PART

2

THE VALUE OF

SAVING AT-RISK CUSTOMERS

A company's customer base is arguably its most important asset. And as customers continue to return to your place of business, the more valuable they become. This is exactly why controlling customer attrition can pay huge dividends to a company's bottom line, and why retaining customers is an absolute necessity for a business to be as successful as possible.



Imagine the following scenario. You realize that a group of 5 individuals who came to your establishment once a week for dinner have churned. With a Per-person Average of \$25, you can predict an immediate revenue hit of \$500 a month, or \$6,000 a year.

But it doesn't stop at the immediate revenue hit. You want to replace that lost revenue, which means you'll need to acquire 5 more customers to replace the churned party. As a result, customer

acquisition costs will increase. Also, depending upon the reason for your customers churning, your company reputation may take a hit as well, word-of-mouth promotion from those 5 churned guests will be gone. Or worse, they may have had a bad experience and are spreading negative word-of-mouth, which can impact your customer acquisition and retention for years to come.

CASE STUDY: USING WIFI MARKETING TO **SAVE AT-RISK CUSTOMERS**

Saving at-risk customers should obviously be a priority for any business that relies upon repeat customers. Therefore, you should take steps to identify and mitigate churning on an ongoing basis.

Numerous Bloom Intelligence customers are doing just that – and they are reaping the rewards of minimizing customer attrition. Let's take a look at an actual real-world example.



In this case, a multi-unit casual restaurant chain based in Florida was concerned about a high rate of churning customers. Prior to implementing the following strategy, they were recording a customer churn rate of over 20%. With a relatively high per-person average of \$44, this was a major concern for the company.

The plan was to implement an automated email marketing campaign that would automatically be sent to any customer

who was identified as at-risk of churning. The email would contain the incentive of a free appetizer if they came back within 2 weeks of receiving the email. They ran the campaign for 3 locations. If they were able to see a positive result, they would then increase the campaign to all locations.

All they had to do was create the automated email campaign & offer, and configure the Bloom platform to send the offer automatically to customers

who are deemed at-risk. Very little time and resources had to be invested in the logistics of the campaign.

The campaign was launched, and the results were immediate and impressive.

In the 8 months the campaign has been running, a total of 2,543 emails were sent to customers who were tagged as at-risk of churning, meaning the Bloom platform did not sense the customers' presence. Remember, a customer only has to log into WiFi once to be monitored. **Of those emails sent, 952 customers have returned to one of the 3 locations, for a total of 37.44% saved customers.** That equates to an increase in revenue of almost \$42,000 based on their per-person average.

The month prior to launching the campaign, the 3 locations were experiencing an average customer churn rate of 23.77%. Here are the customer churn rates for the following 8 months while the campaign continued to run:

Month 1	18.31%
Month 2	14.14%
Month 3	13.62%
Month 4	15.57%
Month 5	11.61%
Month 6	11.13%
Month 7	10.63%
Month 8	9.20%

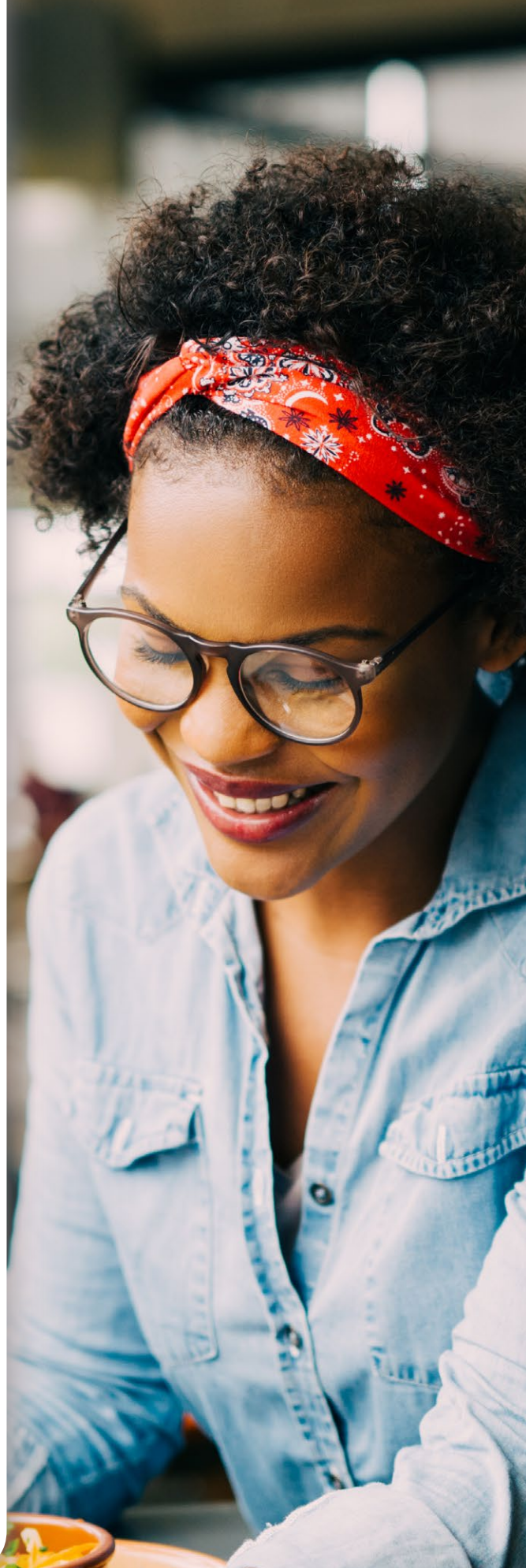


With this kind of success, the company didn't hesitate. They decided to move ahead with implementing this campaign with an additional 10 locations. The new campaign has since been running separately from the original 3-location campaign.

In the 5 months the campaign has been running, a total of 1419 emails were sent to customers who were tagged as at-risk of churning. Of those emails sent, 482 customers have returned to at least one of the locations, for a total of 33.97% saved customers. That equates to an increase in revenue of approximately \$21,200 based on their overall per-person average.

Additionally, the average churn rate for these locations has also declined dramatically, thus increasing customer loyalty and lifetime customer values. The month prior to the campaign, they were seeing an average customer churn rate at all 10 locations of 29.57%. Here are the customer churn rates for the following 4 months:

Month 1	18.12%
Month 2	17.66%
Month 3	15.81%
Month 4	14.29%



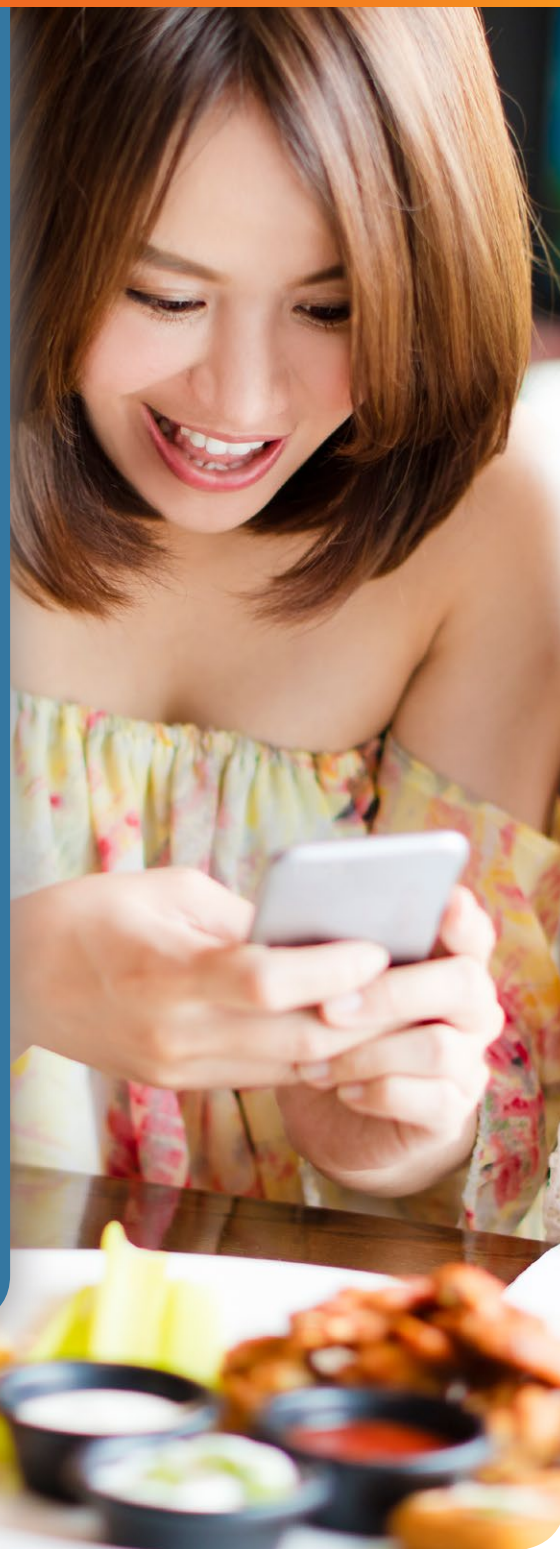
WIFI MARKETING & ANALYTICS

This is just one of many at-risk customer campaigns being executed at retail and restaurant multi-unit locations all across the country. Bloom's easy-to-use automated marketing suite of growth tools allows anyone to set up a campaign like this in a matter of a few minutes.

Reducing customer attrition is just one way the Bloom platform delivers ROI for multi-unit operators. Bloom Intelligence has an entire suite of tools that you can use to generate strong business growth for multi-unit operators.

Learn how Bloom can help you grow your business!

If you'd like to schedule a 30-45 minute demo of the Bloom Intelligence platform to see how you can grow your business, call us at 727-877-8181. Or, visit www.bloomintelligence.com to request your [free demo](#).





HOW CAN BLOOM INTELLIGENCE **IMPROVE** YOUR WI-FI AND CUSTOMER ENGAGEMENT?

Contact us to schedule a short, no-obligation demo and see how Wi-Fi marketing will be your competitive advantage.

[SCHEDULE A DEMO](#)



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