



EBOOK

Creating Relationships: Turning Anonymous Consumers into Loyalists

Introduction

Today's vast proliferation of dining options combined with the emergence of digital media has created an environment in which restaurants must do a great deal more than serve up delicious food on-demand. Restaurants that want to stay competitive need to deliver a meaningful and seamless customer experience across multiple channels and touchpoints.

Meeting tech-savvy diners' growing expectations has raised the bar for brands to create a path for engagement that optimizes their loyalty through current mobile mediums and in-store experiences.

Achieving loyalty requires making a one-to-one connection, finding out about each individual guest. Harnessing technology to get to know your customers and have them provide their digital identify to better understand their behaviors and preferences. Then nurturing these relationships by delivering personalized messages and customized experiences that delight customers into engaging with your brand in-store and online.

Restaurants that work hard to cultivate these long-standing personal relationships will create the sense of specialness needed to drive genuine customer loyalty. The kind of loyalty that increases customer frequency, check lift, and referrals through enhanced and sustained program participation rates. The key measurements that are the pulse of a restaurant's financial health and enduring success.

Very simply – customer loyalty doesn't just happen today, it must be earned.

97% of millennials say they would actively engage with loyalty programs if they could access their rewards information from their smartphones. (CodeBroker)

Providing Value to Exceed Customer Expectations

Restaurants are competing on a variety of strategies to cultivate highly sought-after customer loyalty. Because customers have plenty of options when choosing a dining experience, restaurants need to remain relevant to guests' current preferences.



Quality food & pricing

Customers are interested in authentic entrees, with healthy options that provide a well-rounded transparency message, including sourcing details – all at a fair price.



Personalized dining experience

Providing an interactive dining experience with ambiance that is inviting and open for socialization is leading to enhanced dining satisfaction.



Ease & Convenience

Customers have turned to solutions that simplify their lives, and that is translating the dining experience into an online ordering solution to better serve guests. This includes pick-up, direct delivery and delivery from a third-party company.

What customers want from their restaurant dining experience is exactly what they want from restaurant marketers as well. They want to be engaged at the right time, over the right channel, with the right personalized offers.

Restaurants that nurture the 1:1 relationship by delivering customization, personalization, and convenience through their marketing and dining experiences provide value beyond just price and quality, accelerating customer loyalty and lifetime value.

75% of Americans think brands should implement better strategies to encourage loyalty

(TollFreeForwarding.com)

80% of consumers say they are more likely to do business with a company if it offers personalized experiences

(Edelman)

Leveraging Technology to Deliver Personalized Journeys

Industry trends suggest that restaurants need to get several aspects of the dining experience right to drive brand loyalty, but those are not the only things that matter. The recipe for true customer loyalty is far more nuanced. The paths that bring customers closer to that indispensable feeling that this is the only place they want to dine are indeed varied.

Restaurant brands understand no two consumers are exactly the same. It's all about identifying a core consumer, appealing to his or her specific needs and preferences and building a level of trust with those they serve. You can't tell customers what they want today. The key is for restaurants to figure this out and then seamlessly deliver a consistent, personalized experience.

To accelerate customer acquisition and retention, restaurants need to understand the two primary customer journeys that impact their business.



Customer Journey #1:
**Anonymous to
Known Customer**



Customer Journey #2:
**Known Customer
to Loyalist**

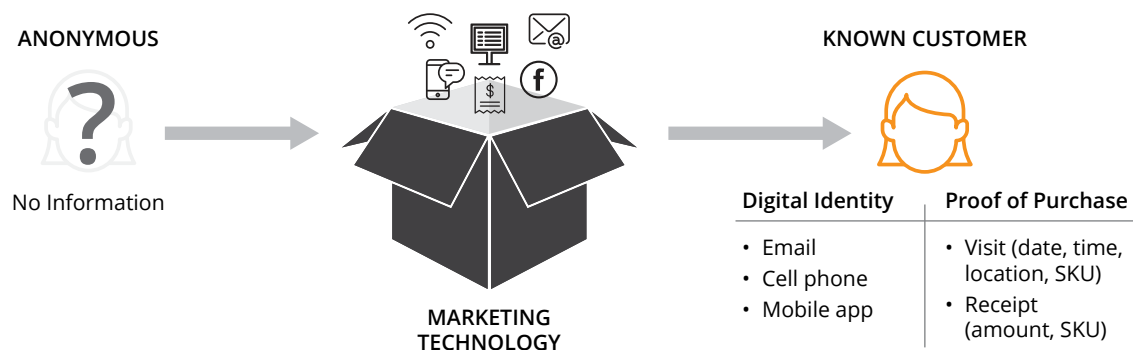
91% of consumers said they would be more likely to shop with brands who recognize and provide relevant offers and recommendations and 83% are willing to share their data to make this work (Accenture)

Customer Journey #1: Anonymous to Known Customer

Initially, restaurants may attract anonymous consumers across various channels, who will provide them with a small amount of personal information. Customers beginning the interaction process may visit a restaurant's website, join an email list, or sign up for in-store WiFi – all of which may yield their digital IDs. However, without any transaction history they essentially remain unknown to the brand.

Or the opposite may be true. Guests may have made a transaction or swiped a credit card at a restaurant, but the brand still lacks the digital ID information necessary for learning more about them and for effectively marketing to them.

Today, restaurants are also accessing additional data from commercial, operational and external sources such as social media posts, telecom providers, weather, traffic, etc. to construct more complete customer profiles. Brands choosing the right technology can achieve the necessary connections among structured and unstructured data sources, digital IDs and transactional information, making the customer truly known to the brand (or resulting in the customer becoming *known* to the brand).



Powering a Lifetime of Loyalty

As restaurants attain customer information, a more comprehensive understanding of their preferences and what drives their behaviors can be gained in relationship to the brand. Customer data offers important insights for restaurants, creating a pathway to providing personalized promotions and offers that create unique and individualized dining experiences that drive customer lifetime value.

52% of consumers will recommend to others the restaurants they are most loyal to (Oracle Hospitality)

“Brands choosing the right technology can make the customer truly known to the brand, creating a pathway to personalized offers that drive customer lifetime value.”

Customer Journey #2: Known Customer to Loyalist

Restaurants need to continue gathering information about their known customers to successfully build effective marketing strategies that encourage them to join a brand's loyalty program.

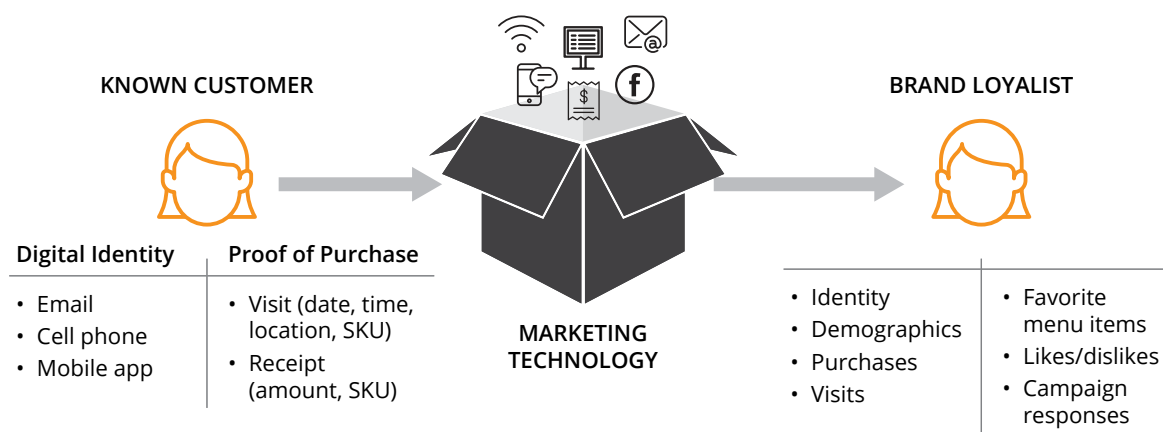
The best loyalty programs then utilize analytics to compare POS transactions to those across the entire purchasing chain, providing restaurants with customer segmentation opportunities based on recency, frequency and spend behavior.

With predictive technology brands can further track behavior at the individual level to increase personalization and decrease churn rates. Using an optimization algorithm to find the perfect offer for a specific customer and delivering the offer via the customer's preferred digital channel at the most optimal time. Creating the type of customer convenience and loyalty that results in brand advocates and valuable referral business.

Restaurants that shift their mindset away from using data to only explain the past and instead also employ integrated analytics to predict customer behavior, gain the competitive edge on turning anonymous customers into brand loyalists that generate significant ROI.

88% of consumers note redeeming loyalty points on new food recommendations based on purchase history as appealing
(Oracle Hospitality)

“Restaurants that shift their mindset away from using data to only explain the past and instead also employed integrated analytics to predict customer behavior gain the competitive edge.”



The Punchh Marketing Cloud converts customers from anonymous to loyalists by providing you with the tools you need to deliver a personalized, seamless customer experience.

To see a demo, visit Punchh.com/Contact-Us.



 facebook.com/getpunchh

 twitter.com/getpunchh

 linkedin.com/company/punchh-inc-

 instagram.com/getpunchh

Punchh.com/Contact-Us • Contact@Punchh.com • 650-781-7100

About Punchh

Headquartered in San Mateo, CA, Punchh is the world leader in innovative digital marketing products for physical retailers, combining AI and machine learning technologies, mobile-first expertise, and omnichannel communications designed to dramatically increase lifetime customer value. Leading global chains in the restaurant, convenience store, and retail sectors rely on Punchh to grow revenue by building customer relationships at every stage, from anonymous to loyalists.