

How Fazoli's Stays Relevant Using Consumer Insights to Personalize Experiences Across the Entire Customer Journey



Challenges

- Topsy-turvy, competitive fast casual environment
- More consumers staying at home using delivery
- Stay relevant and on top of the consumer experience

Goals

- Replace punch cards with comprehensive, digital customer platform
- Integrate and track customer journey from acquisition through loyalty
- Understand consumer behavior patterns to deliver personalized experiences

Solution

- Punchh Acquire (eClub)
- Punchh Loyalty
- Mobile app, web, and in-store channels
- Integrations with POS (Brink) and online ordering (MonkeyMedia) systems

Results

- 4.3 (out of 5 star) mobile app rating
- 38% average growth in visit frequency*
- 42% average growth in offer redemptions*

"Punchh gives us a way to strengthen and create relationships with consumers. It's a platform that we can almost completely control in terms of what we want to say, when we say it—and it's a way to stay relevant with guests."

JODIE CONRAD
VP OF MARKETING

"Punchh has been a game changer."

WILL HANRAHAN
DIGITAL MARKETING MANAGER



* Q1 to Q3 2018

HOW FAZOLI'S STAYS RELEVANT USING CONSUMER INSIGHTS TO PERSONALIZE EXPERIENCES ACROSS THE ENTIRE CUSTOMER JOURNEY

KEEPING PACE WITH CUSTOMERS

Founded in 1988 and headquartered in Lexington, KY, Fazoli's has grown to nearly 220 restaurants in 26 states. The fast-casual Italian eatery operates in an ever-more competitive restaurant space, where dining dollars can be spent at a different burger, taco, or pasta restaurant every night of the week. But by staying relevant and on top of the customer experience with an effective customer loyalty program, Fazoli's planned to build market share and become their customers' top choice for fresh and delicious Italian fare.

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"Before partnering with Punchh in 2017, we didn't have formal loyalty program in place, other than old-fashioned punch cards," explains Jodie Conrad, Fazoli's VP of Marketing. "Our eClub didn't provide trackable data or entry into loyalty," she adds. "We'd send out an email but would have no idea who was redeeming offers or how much was being spent."

Her team wanted the ability to react to business in real-time with offers targeted to followers and fans of the Fazoli's brand, and in a way that had more impact than traditional media like direct mail. "We needed visibility into what's actually happening—into what consumers are doing. We knew that seeing visit patterns and check size would help us segment our business to drive recency with inactive users and frequency with active users."

BUILDING LOYALTY, OPTIMIZING RESULTS

In late 2016, Conrad's team started looking for a customer acquisition and loyalty platform vendor to help them develop a mobile app and provide a more comprehensive and integrated revenue-building program. With an aggressive implementation timetable, Conrad's team eagerly decided to move forward with Punchh. "Aside from their capabilities and experience with other restaurants in our space, Punchh's existing relationships with other tech providers was really important to us," Conrad explains. "Every piece of technology—from POS to ordering—needs to work together, and Punchh could make that happen."

Fazoli's went live with Punchh at the end of Sept 2017. "After testing in a local market, we introduced the program to all company-owned restaurants," explains Conrad. "From there,

we rolled it out to franchisees for a total of 215 locations." They started with a program offering 1 point for every dollar spent, with 50 points leading to a \$5 reward, but their program has evolved as they've learned more about their customers.

The strategic insights gleaned from their Punchh platform data has enabled Conrad's team to create campaigns that drive better and better results. For instance, they noticed that Sunday was the least frequent day for loyalty guests, but it brought the highest average check. "We took the opportunity to promote weekend visits—like double points Sundays—and we've gotten fantastic results!" reports Will Hanrahan, Fazoli's Digital Marketing Manager. In fact, between August and September, they experienced a 491% increase in unique visits from loyalty guests on Sundays, and total spend went up 450%.

"Punchh has provided incredible insights into guest behavior," says Hanrahan. "We've been able to segment loyalty members into 7 different user types based on activity level—and we're doing work to figure out who these people are and how to best communicate with them. On the other side," he adds, "we're finding out how to get inactive users who haven't visited for, say, 45 days, into the restaurant. We weren't able to do this before!"

"Punchh has provided incredible insights into guest behavior."

LOOKING AHEAD TO GREATER SUCCESS

Since rolling out their program, the company has had over 270,000 mobile app downloads and a 4.3 (out of 5 star) mobile app rating. From Q1 to Q3 of 2018, there was a 38% average growth in loyalty visit frequency and a 42% average growth in offer redemptions. Conrad's team is tracking their campaigns and overall program results, while noting location-based trends and establishing best practices to share with restaurant managers, to boost performance and make the most of their opportunities. They're also starting to use guest feedback insights to guide mobile app updates, increase in-restaurant promotion, and build mobile app offers into the company's promotional calendar.

Moving ahead, Fazoli's is going to continue experimenting with behavior-based database segmentation, testing new rewards and messaging, and optimizing online ordering within the mobile app. "We're looking for ways to make the consumer ordering process better," says Conrad. "Working with Punchh should help create more flexibility."

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