

Charleys Builds Digital Sales Growth With Rewarding Mobile App Experience



RESTAURANT LOYALTY RESULTS

79%
email & in-app
subscription rate

63%
participation
rate increase*

22%
average visit
increase*

* Results from Q3-Q4

RESTAURANT LOYALTY CHALLENGES

- Outdated punch-card reward system
- Lacked customer data & behavior insights
- Inability to connect with guests digitally

RESTAURANT LOYALTY GOALS

- Create engaging mobile rewards app
- Provide online ordering & delivery
- Deliver enhanced customer experience to increase participation

RESTAURANT LOYALTY SOLUTIONS

- Punchh customized loyalty program
- Punchh-developed mobile app
- Integrations with POS (Brink) and online ordering (Olo)

Charleys Philly Steaks celebrated its 35th year in March of 2021. Guests have traditionally enjoyed Charleys cheesesteaks in mall food courts in over 600 locations in 46 states and 17 countries worldwide. Recently, they have started increasing their fan base through strategic expansion efforts, adding 30 new locations in 2020 (mostly outside of food mall courts) with plans to open 100 more locations in 2021.

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BRIAN HIPHSHER, CHARLEYS' CMO

As part of an overall brand refresh, Charleys is looking ahead to make the next 35 years just as exciting as the first 35. Plans to grow their brand included the launch of a customized Punchh Restaurant Loyalty Program in July of 2020 to drive customer acquisition and retention. The brand had a punch-card type system previously, which did not provide them with any customer data or guest insights. “We were at the beginning of our digital transformation journey, and Punchh helped us go from zero to 80 miles an hour,” said Brian Hipsher, Charleys’ CMO.

Hipsher’s previous positive experience with Punchh put the platform at the top of their loyalty vendor selection list. While Charleys initially considered creating their own program, they ultimately determined

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that working with a best-in-class solution would accelerate the process and help them meet their immediate needs for a mobile rewards app, online ordering and analytics. “Punchh worked with us closely to quickly get our loyalty program and mobile app launched in about three months during the middle of the pandemic,” said Hipsher. “Punchh’s strong partnership with Olo meant we also had a smooth integration with our new online ordering system, creating an effective digital platform for us to run our business from.”

Growing Digital Loyalty to Optimize Results

Charleys has fully embraced new ways to meet digital customer needs, gaining over 250,000 loyalty members within the first couple months of launching their Punchh-developed and powered app, called Charleys Rewards. As a result, online sales have grown quickly, with many stores experiencing more than 25 percent of sales coming through digital channels. Hipsher explained that the Punchh platform has been imperative to the success of their franchise owners, providing multiple ways to communicate, incentivize and reward their guests, while meeting new consumer preferences for online ordering and delivery.

The brand connects directly with members to gain feedback on everything from menu innovations to promotion ideas to develop deeper insights on customer satisfaction. And, of course, Charleys is quick to recognize those who complete the surveys with instant in-app rewards. Having the ability to segment customers through more robust data analytics allows the brand to more accurately target guests with valuable incentives that drive higher same-store sales.

Driving Value for Long-term Growth

The marketing team’s focus remains on increasing members’ participation rate. They review this key metric and many others on the Punchh dashboard to determine the overall success of the program — always seeking to increase sign-ups, visit frequency, and net spend QoQ. The value of the Charleys Rewards program for their guests and their franchisees is seen in the numbers. 79 percent of members subscribe to both email and in-app messaging, participation rate has grown 63 percent from Q3 to Q4 2021, average visits have increased 22 percent during that same time period and fans are spending 2.3X more than non-loyalty members during a 90-day timeframe.

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