

Pancheros Drives Same-Store Loyalty Sales Increase by 31% YOY



RESTAURANT LOYALTY RESULTS

22%

Participation Rate QoQ

26%

Increase in Loyalty Sales YoY

18%

Increase in Loyalty Visits YoY

RESTAURANT LOYALTY CHALLENGES

- Difficult to access customer data & insights to drive participation
- Lacked diagnostic tool to provide franchisees with quarterly scorecard
- Needed to deliver a rewarding digital customer experience

RESTAURANT LOYALTY GOALS

- Design a lifecycle marketing program with loyalty at its center
- Create data-driven customer segments and targeted offers
- Deliver better than benchmark loyalty results

RESTAURANT LOYALTY SOLUTIONS

- Punchh Loyalty, eClub and coupons/promos
- Integrations with POS (Brink) and online ordering (Olo)
- Punchh developed and powered mobile rewards

Pancheros Mexican Grill is a quick-service concept known for its handmade tortillas and massive burritos. With about 70 locations in 13 states, the fast-casual chain takes a modern approach to serving up its fresh-pressed tortillas, perfectly mixed burritos and fan-favorite queso along with a rewarding customer experience.

“Working with Punchh benefits our brand, our customers and our franchisees. We have seen the value of delivering cumulative loyalty campaigns through our app, keeping us relevant with our fans and keeping our fans engaged and participating with our brand.”

RYAN MURRIN, CMO OF PANCHEROS

In 2017, Pancheros turned to Punchh to help create their customized “spend unlocks offer” loyalty program and to develop their forward-thinking Burritos with Benefits® rewards app. Pancheros’ loyalty program and app reflect their brand differentiation among competitors and give them a digital-first approach to communicating with their fans, finding a nearby store, providing personalized offers, creating friend referrals and social media integration, and delivering a seamless, easy ordering experience.

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Loyalty-first Marketing Plan Delivers Results

The successful program integration with Pancheros' online ordering system (Olo) and POS (Brink) also gives them a unified digital presence that captures customer data from multiple engagement touchpoints. The data is then made actionable through the Punchh Loyalty, Offers and Engagement Platform, which Ryan Murrin, CMO of Pancheros, believes has helped them drive increased guest engagement and participation through omnichannel interactions.

“An important component of our marketing plan was this kind of digital transformation around making loyalty central to all of our activities,” said Murrin. “With Punchh, we have the capabilities to accurately segment customers and create a lifecycle marketing strategy to improve conversion from signup to first visit through 11+ visits as well as target lapsed customers by re-engaging them with an enticing offer. In the background, we always have these campaigns running in addition to our larger integrated campaigns.”

Experiential Campaign Rewards Loyal Fans & Garners Publicity

One of Pancheros' most popular campaigns was developed in 2019 from evaluating their loyalty program data, which revealed that loyalty customers were 10X more likely to order queso. It was a differentiation they knew they had to leverage, says Murrin. Pancheros went all-in on celebrating National Queso Day by offering free queso to all users on the app.

While the results proved successful in terms of targeting new users and loyalists (redemptions increased by 202%), the real win was the experiential event that they activated alongside the promotion. Utilizing their loyalty program, they were able to identify the individual who ate the most queso over the course of a year and crown him 'King of Queso,' ultimately rewarding him with a year's worth of queso. The promotion is in its third year and will again honor loyalty with royalty on National Queso Day in September.

Supporting Franchise Growth with Quarterly Scorecard

Effective campaigns that grow acquisitions, participation and same-store sales are essential for continuing expansion. Helping franchisees drive traffic and understand the health of their stores is paramount to the success of the brand. Murrin notes that they use their loyalty program as a diagnostic tool as loyalty is a big component of the quarterly scorecards they produce and share with every franchisee. Sharing specific same-store sales and loyalty metrics helps franchise owners see the value of promoting the loyalty program and how well they are delivering a rewarding customer experience. The big picture highlights the strong growth of their brand, which for Q1 2021 same-store loyalty sales and same-store online loyalty sales increased by 31% YOY and 131% YOY respectively.

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