



eBook

punchh®

**Building an Integrated
Loyalty Ecosystem
to Future Proof Your
Brand**

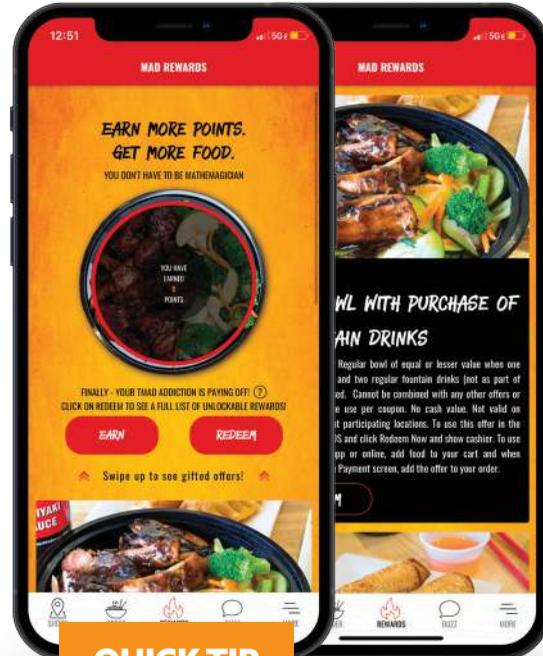
Introduction

The restaurant industry and food outlets continue to be in a state of transition in 2021 as the effects of COVID-19 and its variants impact state mandates (i.e. New York's September proof of vaccination for indoor dining policy) and customers' behaviors (i.e. contactless payment, delivery, curbside pick, etc.).

Over the past 18 months, both consumer and market demands have brought about the rapid adoption of technologies to create alternative channels for revenue that address restrictions for in-person dining as well as health and safety concerns. While there has been much to cope with, new opportunities are also present.

Restaurants, convenience chains, grocery stores and various food outlets now face a wide-range of options for meeting customers' changing preferences. Creating a compelling and safe customer experience has ignited several market trends, such as placing an emphasis on providing value, delivering personalized incentives, and rewarding guests beyond points with experiential offerings.

The brands that effectively embrace this new paradigm will be positioned to succeed in an increasingly digital environment. A strategic and collective approach by marketing, operations and IT is required to integrate technologies that can ultimately build AND reward restaurant customer loyalty well into the next decade.



QUICK TIP

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Gain Efficiencies with a Single, Scalable Loyalty Platform

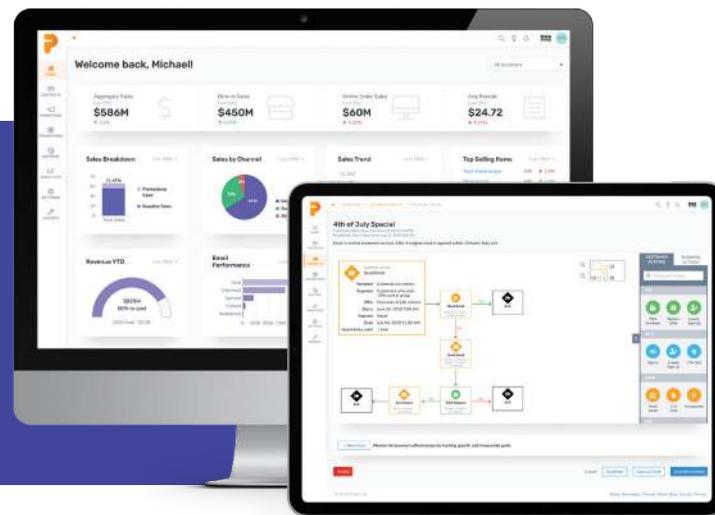
For many restaurants, the pandemic shed light on their ability or inability to easily pivot and implement new systems for online ordering, delivery, curbside pickup, contactless payment, and more. Temporary and third-party solutions that offered an initial win, yet remain a siloed, unbranded experience, can lead to an unprofitable and unproductive situation. Costly fees inhibit profit and customer data being retained by the vendor.

Restaurants need a single, robust loyalty platform that addresses partner integrations, CRM, analytics, marketing automation, and security. With these foundational components working together brands

can acquire, engage and retain customers while also increasing loyalty program participation, visit frequency, and spend.

Quite simply, operators and marketers need a platform to do all the heavy lifting. With leaner teams and competing priorities, the right tools and services become paramount for delivering personalized and seamless experiences that truly connect customers to their favorite brands.

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Top Restaurant Loyalty Platform Capabilities Checklist

- 
Manages Customer Data – Captures, stores, unifies and provides visibility into all internal and external data to deliver a real-time, 360 degree view of the customer
- 
Automates Marketing – Launches built-in, targeted campaigns for events, sign-ups, winbacks, geotargeting, and more, along with the flexibility to manage them on the fly to accelerate outcomes
- 
Delivers Omnichannel Offline & Online Integrations – Creates seamless customer journeys with system collected data made actionable via email, SMS, and push notifications
- 
Provides Analytics – Delivers daily insights and predictions of customer behavior that can drive personalized campaigns and offers from a user-friendly dashboard
- 
Administers Programs Across the Customer Journey – Provides customer acquisition and loyalty management through user-friendly access for all business locations
- 
Delivers High Performance – Achieves seamless customer experiences through enterprise-grade scalability, availability, and security
- 
Accelerates ROI with AI Assistance - Helps easily create 1:1 campaigns by providing real-time, AI-defined customer segments, recommended offers, and control groups that optimize the right channel, time and day to deliver campaigns

Leverage Pre-built Integrations to Quickly Boost Customer Engagement

Creating that seamless, modern restaurant experience on- and off-premise requires ensuring a safe and convenient environment that connects front-of-house guest management platforms (tablets, QR & kiosks) to back-of-house (POS, kitchen display & 3rd party ordering/delivery) systems.

For restaurants and food outlets, this may mean having a variety of technologies to drive optimal performance for their brand. There may not be a “one-size-fits-all” approach for the entire operation. Dynamic brands need a range of capabilities to optimize the customer experience, drive higher sales and lifetime value, and essentially run a smarter, more efficient restaurant. To accomplish this, they require best-in-class solutions that fully integrate into their tech stack and create a broader ecosystem of connectivity to help them easily grow and scale.

Brands should strive to maximize existing technology and service partnership investments without burdening their IT team. Pre-build connectors offer faster time-to-value, lower development costs, fewer support tickets and the ability to add new technologies much faster as they grow. For marketers, proven integrations also deliver a 360-degree profile for every customer, updated in real-time with data and preferences created from their omnichannel ecosystem.

With fully integrated systems, every customer interaction becomes an opportunity to drive loyalty.

Make Omnichannel Integrations a Priority To Deliver Ominchannel CX



Lean into the Power of AI to Deliver Personalization at Scale

Recent unprecedented times have left many marketers struggling to build effective campaigns that deliver value for their guests. Data is often difficult to access and overwhelming to make sense of and capitalize on in a timely manner.

And as digital and mobile capabilities continue to proliferate, so are restaurants' opportunities to drive business by engaging customers with personalized offers delivered over their preferred devices. Brands need the capability to leverage real-time data that drives high-value behaviors at the right time and over the right channels.

With the right platform and integrations, restaurants can easily capture, centralize, organize and act upon vast amounts of transaction data, across all touchpoints, on a personalized 1:1 guest basis, in real-time. For brands, this means understanding customers' behaviors on a granular level, thereby unlocking unprecedented opportunities to nurture customers' journeys and drive business objectives by incentivizing new and/or different consumer behaviors.

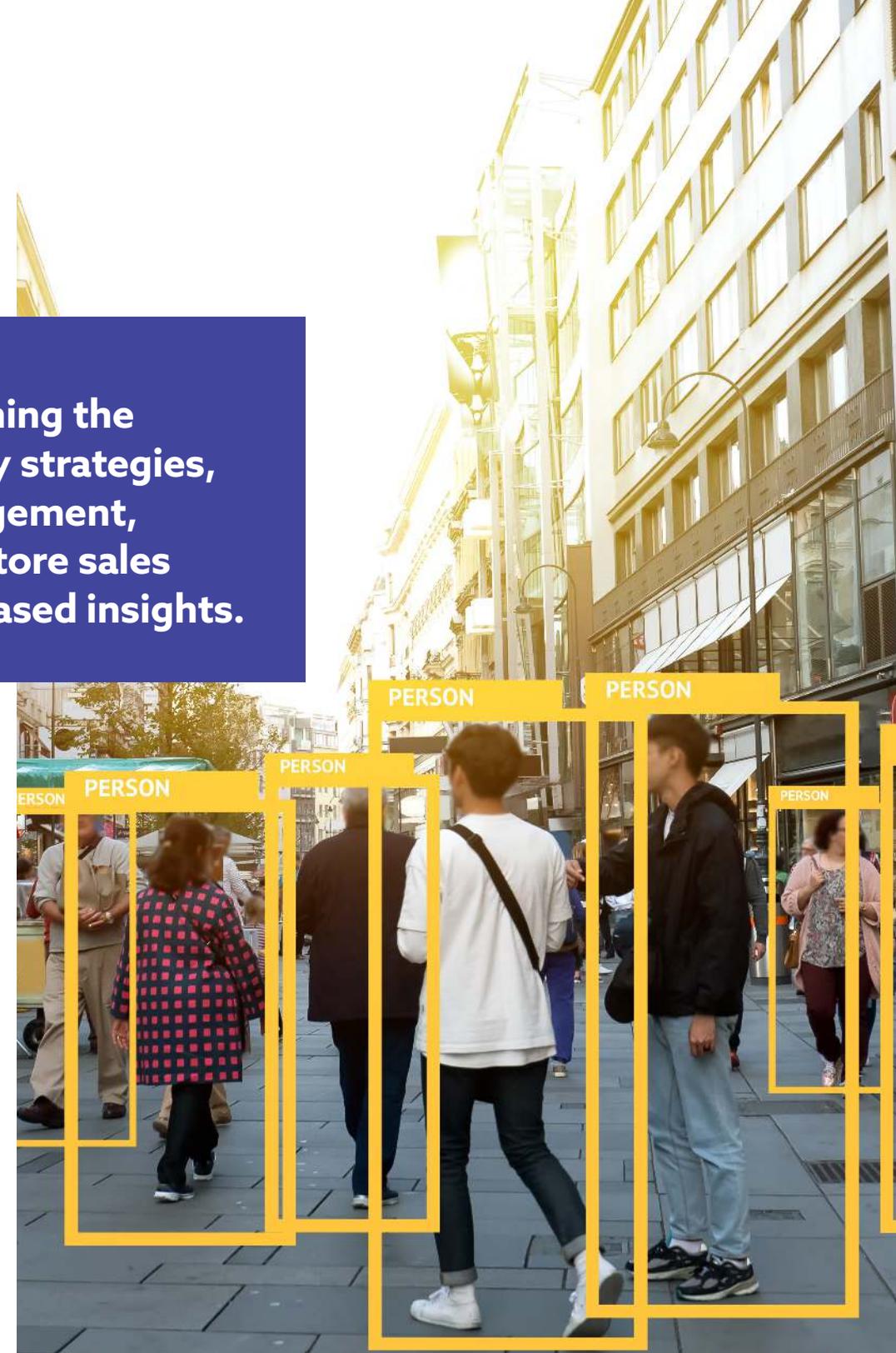
This can be easy with the assistance of AI. AI delivers return on investment to customer marketing and loyalty program strategies is through

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Artificial intelligence is becoming the backbone of successful loyalty strategies, helping brands increase engagement, redemption rates, and same store sales through rich, real-time data-based insights.

machine learning (ML) algorithms that “learn” from data by spotting customer behavior trends and patterns and adapting in real-time as they're exposed to more data. The algorithms receive and examine the data flowing through the system and update how they make decisions based on how previous decisions worked. The algorithms can continually deliver better outcomes to restaurant marketers through the ability to improve their decision-making as they operate.

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Streamline & Optimize Your Tech Stack Through a Connected Ecosystem

Moving forward in today's dynamic environment clearly requires brands to build a technology infrastructure that supports their current systems, yet provides them with the agility to quickly change direction and also scale as they grow in the future.

One of the most effective ways to integrate multiple software is to work from an open, microservice architecture platform. This architectural style structures an application as a collection of services that are:

- Highly maintainable and testable
- Loosely coupled
- Independently deployable
- Organized around business capabilities

The microservice architecture enables the rapid, frequent and reliable delivery of large complex applications. It also enables brands to evolve their technology stack by easily handling the addition or subtraction of other components. This overcomes the hesitation of many operators daunted by the thought of being “stuck” with something that they don't want or that will become outdated soon.

To deliver on customers' expectations and scale at an appropriate pace brands are leaning into a restaurant technology platform with “agnostic” capabilities that allow them to integrate with different software and services such as online ordering, delivery, pickup, payments, messaging, and more. With this kind of flexibility restaurants save time and resources in the long run and eliminate disruption to their technology ecosystem as they adapt to changing customer preferences.

El Pollo Loco Tripled Digital Sales in 2020 by Modernizing its Marketing

Over the past several years, El Pollo Loco made technology investments in e-commerce and a POS system. Punchh integrated with all their key business systems to provide El Pollo Loco a single, robust platform to manage their loyalty and marketing initiatives and activities.

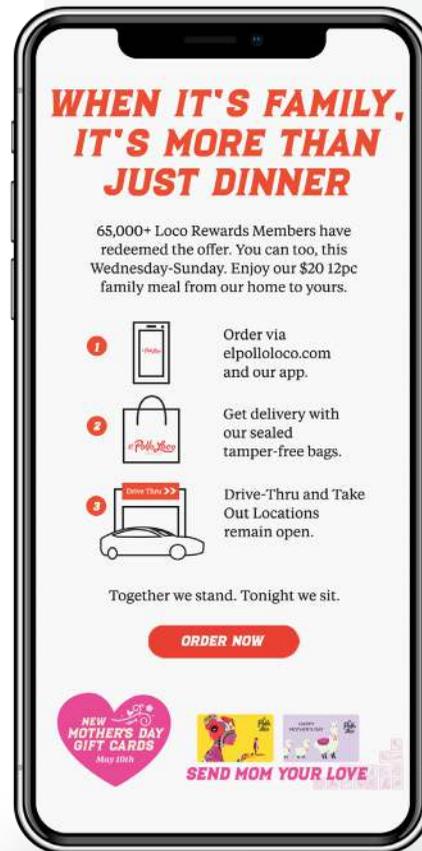
Challenge

In 2020, El Pollo Loco experienced many locations operating with a closed dining room or limited capacity due to COVID-19 restrictions and changing customer behaviors.

Solution

Punchh helped El Pollo Loco pivot their operations during the start of the pandemic to provide customers with drive-thrus (in some locations), take-out, delivery, online ordering and mobile GPS-informed pickup for a seamless, omnichannel customer experience.

El Pollo Loco marketers realigned their initiatives to highlight digital ordering, limited-time, free delivery through Postmates, and large family meal options. They generated demand for their new food operations and menu items by communicating to their loyal customers with personalized campaigns they created and delivered through the Punchh platform via email, push and rich messaging.



1.9M
million loyalty
member acquisition

6%
increase in delivery

9%
increase in digital
ordering sales

12%
YOY increase in
loyalty spend

Create a Better Consumer Experience with Innovative Integrated Technology

Customers expect a consistent experience everywhere they interact with a brand. Restaurants are therefore tasked with creating modern loyalty interactions that can be seamlessly delivered to customers who are dining-in, ordering in the app, picking up or getting delivery. To better meet guests' expectations, brands are expanding their reach through a growing ecosystem of feedback, seating, messaging, guest directory and more options that integrate key loyalty insights. For example, using integrated, location-specific feedback helps brands gain a complete picture of transaction and behavioral patterns, allowing marketing and operations teams to analyze and elevate feedback from customers at every location.

Having the ability to combine your digital consumer experience tools with your restaurant loyalty data allows you to design a data-driven, personalized experience for your customers that you can continually improve upon. An integrated approach helps brands:

- Uncover guest experience insights to make faster, feedback-driven decisions
- Extend hospitality beyond physical stores to engage and retain customers
- Eliminate siloed feedback for a 360-view of the customer experience
- Identify critical details like wait time, guest name and visit frequency to engage & reward loyalists
- Extract unique insights from the on-site dining experience and deliver real-time interactions

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

Pancheros Mexican Grill is a quick-service concept known for its handmade tortillas and massive burritos. With about 70 locations in 13 states, Pancheros turned to Punchh in 2017 to help them create their customized "spend unlocks offer" loyalty program and to develop their forward-thinking Burritos with Benefits® rewards app.

Challenge

To help franchisees drive traffic and understand the health of their stores is tied to the loyalty of their customers, which is paramount to the success of the brand.

Solution

Pancheros began using their loyalty program as a diagnostic tool. The Pancheros marketing team created a quarterly scorecard for franchisees that included loyalty data. They shared specific same-store sales and loyalty metrics to help franchise owners see the value of promoting the program and how well they are doing at delivering a rewarding customer experience.

Results

Franchisees are embracing the benefits of the loyalty program, resulting in strong overall growth for the brand. In Q1 2021, Pancheros increased same-store loyalty sales 31% YOY and same-store online loyalty sales by 131% YOY.



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
Former CMO of Pancheros



22%
Participation
Rate QoQ

26%
Increase in Loyalty
Sales YoY

18%
Increase in Loyalty
Visits YoY



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About Punchh

Punchh is the leading loyalty, offers, and engagement platform for restaurants, groceries, retailers, and convenience stores. For over a decade, Punchh has helped the world's favorite brands create data-driven, modern loyalty experiences that empower physical retailers to turn anonymous buyers into brand superfans. Punchh solutions build meaningful relationships and dramatically increase customer lifetime value through AI-driven, one-to-one marketing campaigns and offers.

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