



eBook

punchh®
a PAR Technology Company

**Developing a
Customer-First
Strategy that
Makes Your
Business Thrive**

What does customer obsession look like?

You may have heard this story, but it's worth repeating. Entrepreneur, Peter Shankman, had a long day of traveling and shared the following tweet:



As the story goes, within a three-hour timeframe the company's head office had read the tweet, called the nearest Morton's restaurant to the airport and ordered the steak. The branch tracked down his flight, had the chefs cook and package the food, and sent a waiter 23 miles to the airport to greet him when he walked out of security.

Here's another one. An 89-year-old man was snowed in at his Pennsylvania home around the holidays, and his daughter was worried that he wasn't going to have access to enough food. She called multiple stores in a desperate attempt to find anyone who would deliver to her father's home with no success. She finally got a hold of someone at Trader Joe's who told her that they also don't normally deliver.

However, less than 30 minutes later the food was on the man's doorstep, along with a few additional items that Trader Joe's included for his special low-sodium diet – all for free.



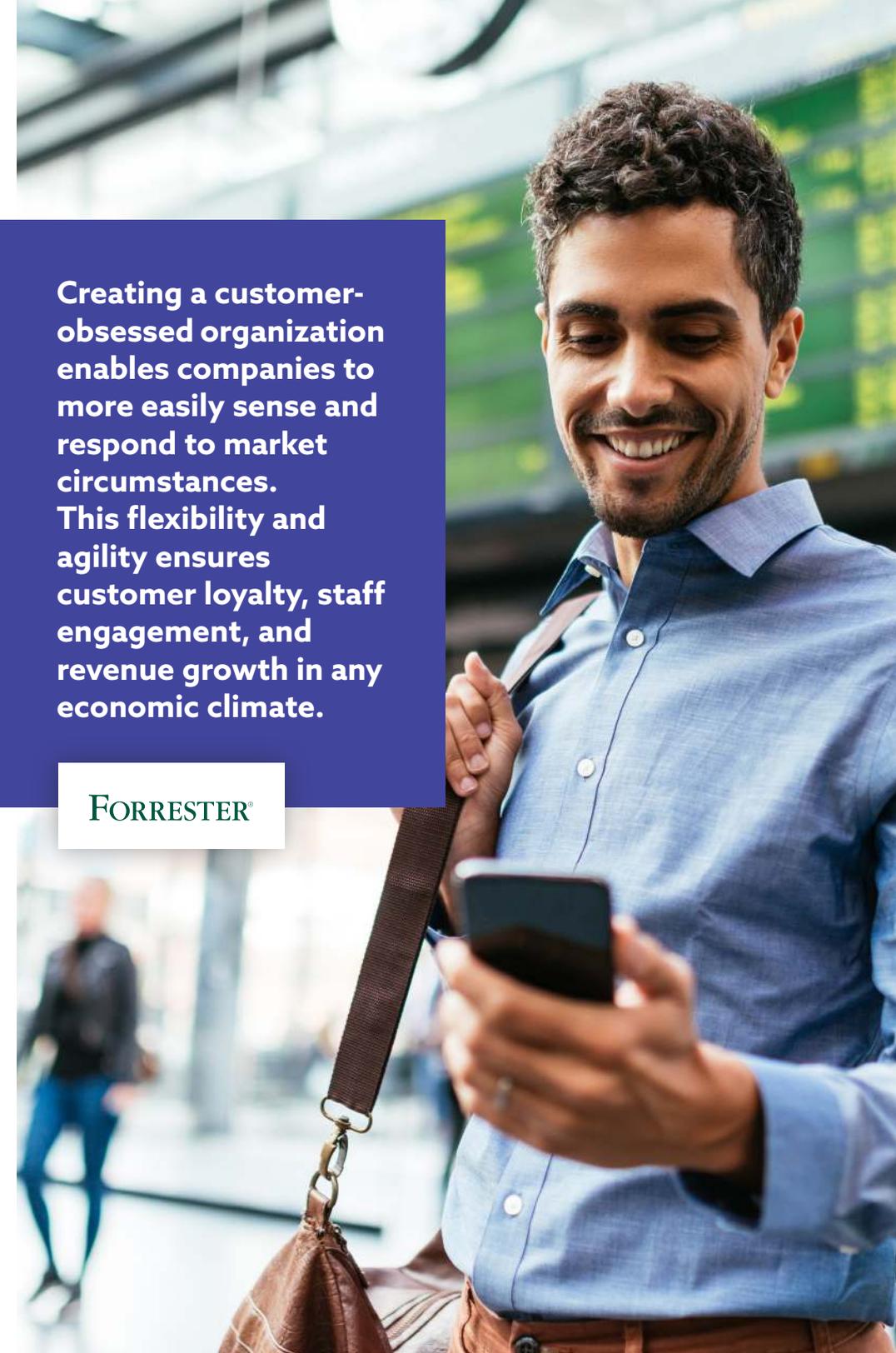
Why did these brands go the extra mile?

Brands that take a customer-centric approach, meaning they put the customer at the center of their leadership, strategy, and operations are always looking for ways to show loyalty to their customers. They understand that to be recognized by customers as a loyal brand they must reward their customers better, with personalization that demonstrates their understanding and commitment to them.

According to Forrester, creating a customer-obsessed organization enables companies to more easily sense and respond to market circumstances. This flexibility and agility ensures customer loyalty, staff engagement, and revenue growth in any economic climate.

Creating a customer-obsessed organization enables companies to more easily sense and respond to market circumstances. This flexibility and agility ensures customer loyalty, staff engagement, and revenue growth in any economic climate.

FORRESTER®



Why become a customer-obsessed brand now?

Back in May of 2020, Forrester’s Consumer Energy Index Survey found that 58% of US online adults expected the pandemic to have a negative long-term impact on their lives. In June of 2022, the Consumer Sentiment Index is at an all-time low as high inflation, rising gas costs and increasing interest rates cool consumers’ optimism and spending plans.

Now more than ever, brands need to give customers a compelling reason(s) to do business with them.

Drivers for Investing in Customer Obsession

\$26



Average monthly spend lift for brands that demonstrate loyalty to their customers (Bond 2022)

78%



of customers say loyalty programs make them more likely to do business with brands (Bond 2022)

73%



of customers agree that customer experience helps drive their buying decision (PWC)

88%



of consumers want businesses to help them make a difference (Forbes)



How can a brand show loyalty?

Get to know your customers

The recent 2022 Bond Loyalty Report indicates customers and brands are aligned on the importance customer service and exclusive access play in the exchange of loyalty. However, the report highlights the disconnect in the level of importance of recognizing customers and making them feel known.

2022 RELATIONSHIP EXPECTATIONS RANKING

Consumers Perceive Brand Loyalty By:

- 1 Knowing me
- 2 Customer service
- 3 Feeling part of a community

Brands Show Loyalty By:

- 1 Customer service
- 2 Providing exclusive access to products and experiences
- 3 Knowing the members

Learn through your data

To know your customers today you have to have the ability to collect and make actionable first-party data. With Google's plan to remove third-party cookies from their Chrome browser next year and state legislators enacting privacy policies yearly, businesses can no longer rely on third-party data to map out their long-term strategy. The future of data-driven marketing planning requires brands to rethink their traditional practices, ones based on buying ads and posting on social media, and refocus on building a customer-first loyalty and engagement program.

There are qualifiers at stake. The information a customer provides a business to belong to a loyalty program gives them the expectation that their data sharing will reward them with a better 1:1 brand experience.

Empower your customers

Brands that are transparent with their customers build the trust necessary to sustain lasting loyalty. Brands need to align their values to those of their customers. Good surveys and feedback tools open the conversation for understanding what is important to guests.

Punchh research of over half a million surveys completed over a two-year period shows that customers who participated in a brand's survey indicated a higher rate of emotional investment in that brand, even when not necessarily giving just positive feedback. Creating a two-way conversation empowers customers to be part of the change.



The WaBa Grill Team increased loyalty sales

51% YOY*

They achieved these results by a commitment to prioritizing and understanding:

- The context of customer challenges, such as price point, convenience or inaccessibility
- Data to guide their marketing decisions to make their guests' lives easier
- Customers' preferred channel for messaging about the product, offer, or operational function that helps solve their challenges to make them lifelong WaBa Grill fans

Making the Connection Between Customer Satisfaction and Customer Loyalty



HTeaO prioritizes two-way communication, asking customers to provide feedback in the mobile app after every transaction. Uncovering the right insights helps the brand make quick, feedback-driven decisions that continually improve their products and services.

USE CASE

To take pressure off locations during the holidays, HTeaO's loyalty app has become the go-to communication tool to provide guests with the convenience of a pre-order form to purchase their favorite flavored ice tea to share during their celebrations.

52%

Campaign Conversion Rate

29%

Participation Rate

18%

Increase in loyalty sales



Customer-First Marketing Strategy Delivers Loyalty and New Product Offerings



A tiered loyalty solution helps Fuzzy's Taco Shop give superfans the opportunity to be selected to determine Fuzzy's annual LTOs by providing their opinions through surveys and tasting panels. The brand believes its loyalty members provide the most honest feedback as they want to see the brand succeed, which explains why some LTOs are so popular they become permanent menu items.

18%

increase in check-in engagement



Remove friction points

Creating consistency across channels gives brands the ability to better serve and know customers along every touchpoint. The type of customer experience that will lead to loyalty today needs to be channel-agnostic.

Customers remain interested in dining-in, digital ordering, contactless payments, curbside pick-up, drive-thru and delivery. Their hybrid purchasing behaviors and heightened expectations mean brands must provide the same level of personalization and knowledge of their preferences across every channel.

Benefits of Integrated Adjacent Technologies

- Amass and make actionable richer data to drive better individualized experiences at scale
- Create consistent, seamless omnichannel interactions that demonstrate brand voice and purpose
- Improve efficiencies to enhance workflow performance to increase staff and customer satisfaction

Deliver a rewarding mobile experience

Findings from Incisiv's 2022 Loyalty Maturity Benchmark Research report indicate that digital is the starting point for over 85% of customers. With digital engagement reaching an all-time high, inspiring loyalty requires a new level of commitment and creativity to build the type of digital connections that demonstrate a brand's customer obsession for their guests.

Developing a rewarding mobile experience starts with building a mobile app that is true to a brand's DNA. It needs to bring to life the digital experience of the store, while allowing brands to tap into new revenue streams.

Function is imperative as well. Customers want the flexibility to interact with a brand how, when and where they want to, along with the ability to use rewards anywhere, anytime and on any device.

A well-executed mobile experience signals to customers that the brand respects and values their time and business.

70%

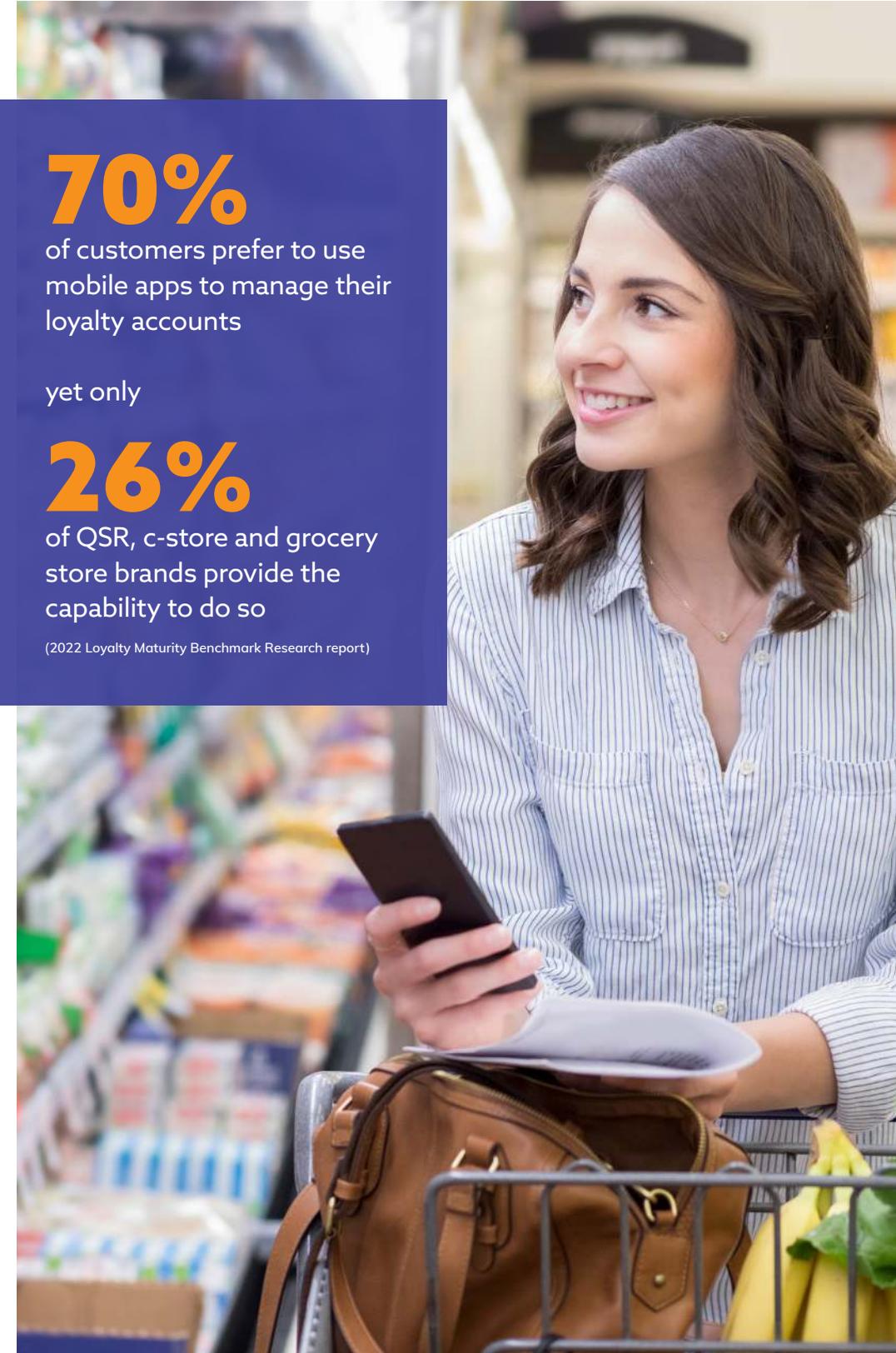
of customers prefer to use mobile apps to manage their loyalty accounts

yet only

26%

of QSR, c-store and grocery store brands provide the capability to do so

(2022 Loyalty Maturity Benchmark Research report)





Gamification Creates Value Without Discounting

Problem: Cheba Hut wanted to break the mold of mundane fast casual restaurant mobile apps and set itself apart.

Solution: Punchh designed Cheba Hut's customized loyalty program and integrated it into its game-based rewards system. The Cheba Hut Flippy Bird game is fun for guests and allows the brand to connect with its fans in a way that resonates with its cannabis-themed sandwich "joint.". The mobile experience also provides comprehensive insights about each customer to build 1-1 loyalty.

Results: The Cheba Hut mobile app has  4.9 stars and over 2,000 reviews receiving praise from guests for its intuitive interface and dynamic design.

36%
Increase loyalty sales YoY

14%
Increase Online Loyalty Sales

5%
Increase Online Avg Order Check YoY

HOW CAN A BRAND SHOW LOYALTY?

Create personalization through subscriptions

Brands have the opportunity to deliver better customer experiences through the offering of subscriptions, which can take many forms such as bundling top products, individualizing services, offering specialized incentives, etc.

Loyalty program data can be analyzed to support this initiative and help brands determine what their customers really want. If customers see value in the subscription, an emotional bond can be cultivated with the brand.

- Develop a distribution model that supports a quick and frictionless subscription experience with:**
- ✔ Seamless payment options
 - ✔ Streamlined pickup process
 - ✔ Automated reminders with communications across multiple channels (SMS, email, etc.)
 - ✔ A clear and transparent process for opting out
 - ✔ Good customer service

Use customer obsession to thrive

With the right mindset, brands can create a culture that keeps customers front and center. They continually capture customer insights that give them the ability to pivot and adapt quickly as behaviors shift along with the economic climate. They're positioned to succeed across every channel and introduce new products and services that will drive future engagement and increased sales. anywhere, anytime and on any device.

“When the customer comes first, the customer will last.**”**

Robert Half



punchh®
a PAR Technology Company

About Punchh

Punchh is a 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 ML-driven, one-to-one marketing campaigns and offers.

Contact Punchh to create the exact loyalty solution you need to engage customers 1:1 at scale.

REQUEST A DEMO