



Subscription Loyalty Playbook

How To Win Customers & Revenue



Introduction

Think about the last time you binged on a series on Netflix or Spotify. The ease of clicking “Next Episode” or “Play Another Song” kept you engaged for hours, didn’t it? Now imagine your customers experiencing that same level of engagement—but with your restaurant. Every time they think of dining or ordering out, your restaurant comes to mind first, not as a choice but as a reflex.

Welcome to the transformative world of subscriptions in the restaurant industry—your “Next Episode” button for customer loyalty and recurring revenue. As dining options multiply and economic variables like inflation influence consumer decisions, your strategy to maintain a constant stream of loyal customers becomes crucial. This eBook isn’t just a quick read, it’s a roadmap to securing a top spot in your customers’ minds and wallets through effective subscription strategies.

In this eBook, we dive deep into the benefits of subscriptions, key considerations for implementation, and the steps necessary to build a powerful subscription model that drives growth. If you’re ready to boost your brand’s loyalty game, keep reading.

Today’s environment means restaurants face many tough challenges including:



Driving guest frequency when there are so many options



Increasing visits when inflation is so high

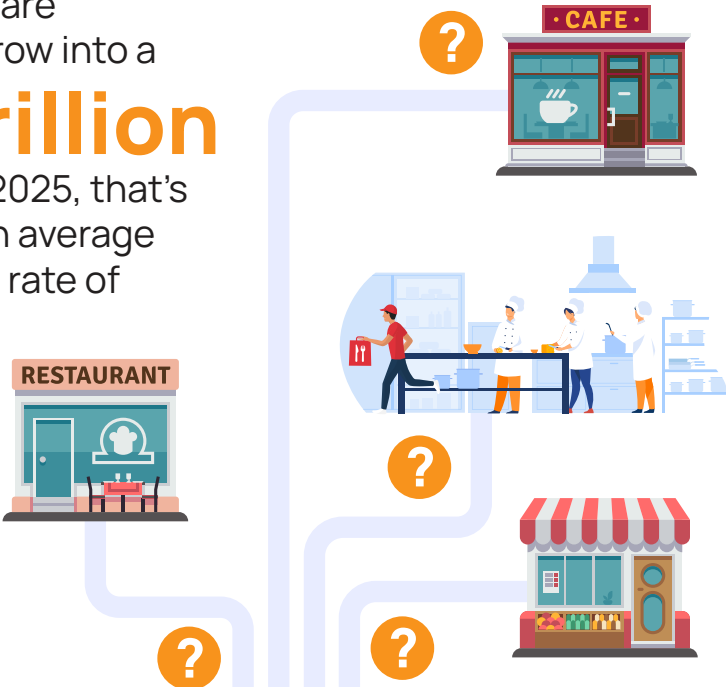


Managing food costs and cashflow, especially during slow days and seasons

As the economy continues to fluctuate, and dining options increase, so will these challenges. Looking for a silver lining? Consider adding subscriptions to your loyalty playbook.

Subscriptions are expected to grow into a **\$1.5 trillion** US market by 2025, that’s anticipating an average annual growth rate of **18%**

(Source: UBS)



Why Subscriptions Peak Consumer Interest

The attractiveness of the subscription model has grown far beyond expectations within the foodservice sector, and customer appetites for subscription commerce have exploded since the pandemic. In 2022, the average American maintained 6.7 subscriptions, an increase from 4.2 in 2019, according to Rocket Money.

Subscriptions offer customers an opportunity to enjoy their favorite brand experiences at a better value and can help them choose between two brands, especially in markets with numerous competitive alternatives. Well strategized subscription offerings showcase a brand's understanding of their most loyal customers' wants and desires.

Your customers don't just want convenience—they expect it. They want value they can count on, exclusivity that feels personal, and control over their experience. Subscriptions offer all that.



Here's how customers win with a well-structured subscription model:



Value

more visits equal more value



Convenience

pay once and enjoy every visit



Exclusivity

unlock ongoing perks with access to tiered programs



Control

easily renew or cancel

81%

Gen Z

79%

Millennials

71%

Gen X

26.7%

of consumers have a food and beverage subscription

(Recharge Payments 2021)

say they would likely participate in a meal subscription program if it was offered

(NRA 2024 State of the Restaurant Industry)

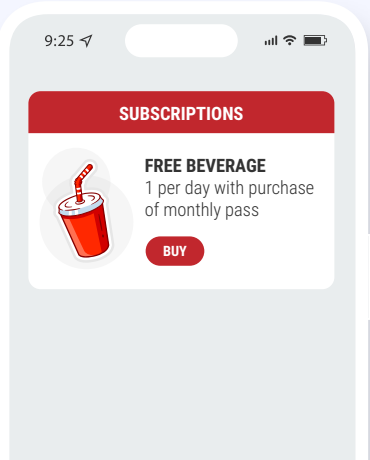
Why Subscriptions are Beneficial for Restaurant Brands



Examples of Restaurant Subscription Formats:

By offering these types of subscriptions, brands can leverage customer preferences to boost engagement and increase repeat visits. Plus, subscriptions allow brands to capture valuable data on customer behavior that can be used to personalize offers and optimize future campaigns.

Beverage Subscriptions

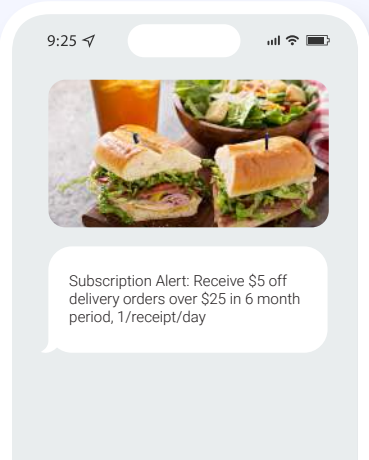


A daily beverage for a flat monthly fee or discounted rate works well for fast casual or quick-service restaurants.

Brand Benefits
Frequency and upsell opportunity

Guest Benefits
Increased value with visits

Meal Subscriptions

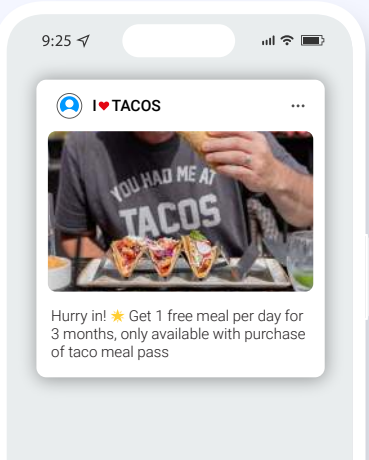


Offer customers a fixed number of meals per month, encouraging regular visits. For example, a customer could receive one meal a day for a flat monthly fee.

Brand Benefits
Drive traffic i.e., during slow season

Guest Benefits
Increased value, especially with more visits

Seasonal Passes

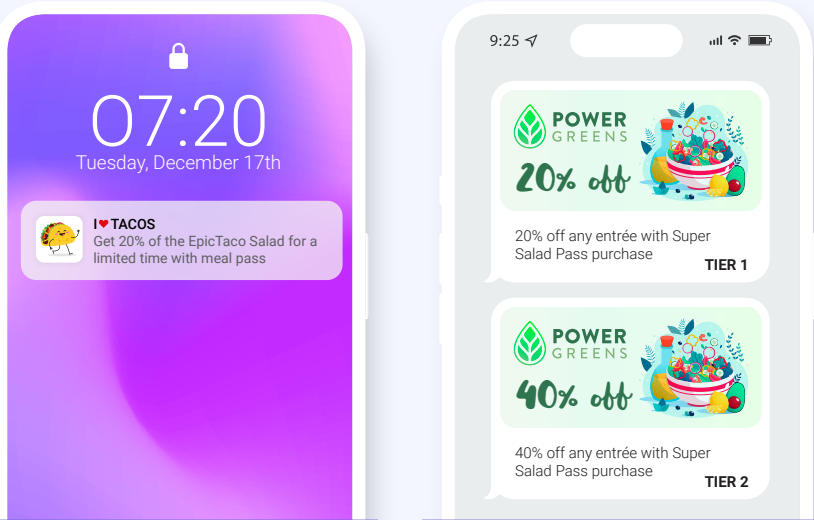


Create buzz by offering time-limited subscriptions tied to seasonal menus or special promotions.

Brand Benefits
Drive sales of profitable, low labor available items

Guest Benefits
Increased value, low risk trial

Exclusive Discounts



Offer a set discount on specific menu items, such as 20% off an entrée or free delivery for subscribers.

Brand Benefits
Broaden appeal, frequency, ability to test/optimize

Guest Benefits
Increased value, choice, flexibility

Brand Benefits
Extending value to channels/partners

Guest Benefits
Value extended to delivery purchases

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Considerations for Restaurant Subscription Programs

When implementing a subscription program, restaurants need to ensure that their accounting systems are set up to handle recurring payments and revenue sharing (if applicable). Here are some key considerations to manage effectively:



Revenue Recognition: Subscription revenue needs to be recognized according to the period it covers. For example, a customer paying upfront for a year's worth of meals should have the revenue allocated monthly to align with the service provided.



Handling Franchisee Payments: Brands with franchisees may need to develop guidelines for how subscription revenue is shared. In many cases, franchisors will need to determine what portion of the subscription fee is retained by the brand and what is shared with franchisees.



Renewals & Cancellations: Setting up an automated system to handle renewals and cancellations is essential to ensuring a smooth customer experience and proper revenue tracking.



Tracking Profitability: Subscriptions may offer discounts or special pricing, so it's essential to track costs and profitability. Ensure that discounts are sustainable and that the subscription pricing structure remains profitable for the brand.



Brands should work with financial advisors or accounting teams to ensure that subscriptions are implemented in a way that is financially sustainable and compliant with revenue recognition standards.

Subscription Program Checklist

Before launching your subscription program, make sure you've got all the right pieces in place. Here's your must-do checklist to get started:

✔ **Define Program Goals:** Be crystal clear on what you want your subscription to achieve—whether it's driving visit frequency, increasing customer lifetime value (CLV), or generating predictable revenue.

✔ **Select Subscription Format:** Choose a model that fits your brand. Will you offer meal plans, beverage passes, or exclusive perks? Pick what aligns with your customer needs.

✔ **Implement Payment Solutions:** Choose a platform that can handle recurring payments securely and seamlessly.

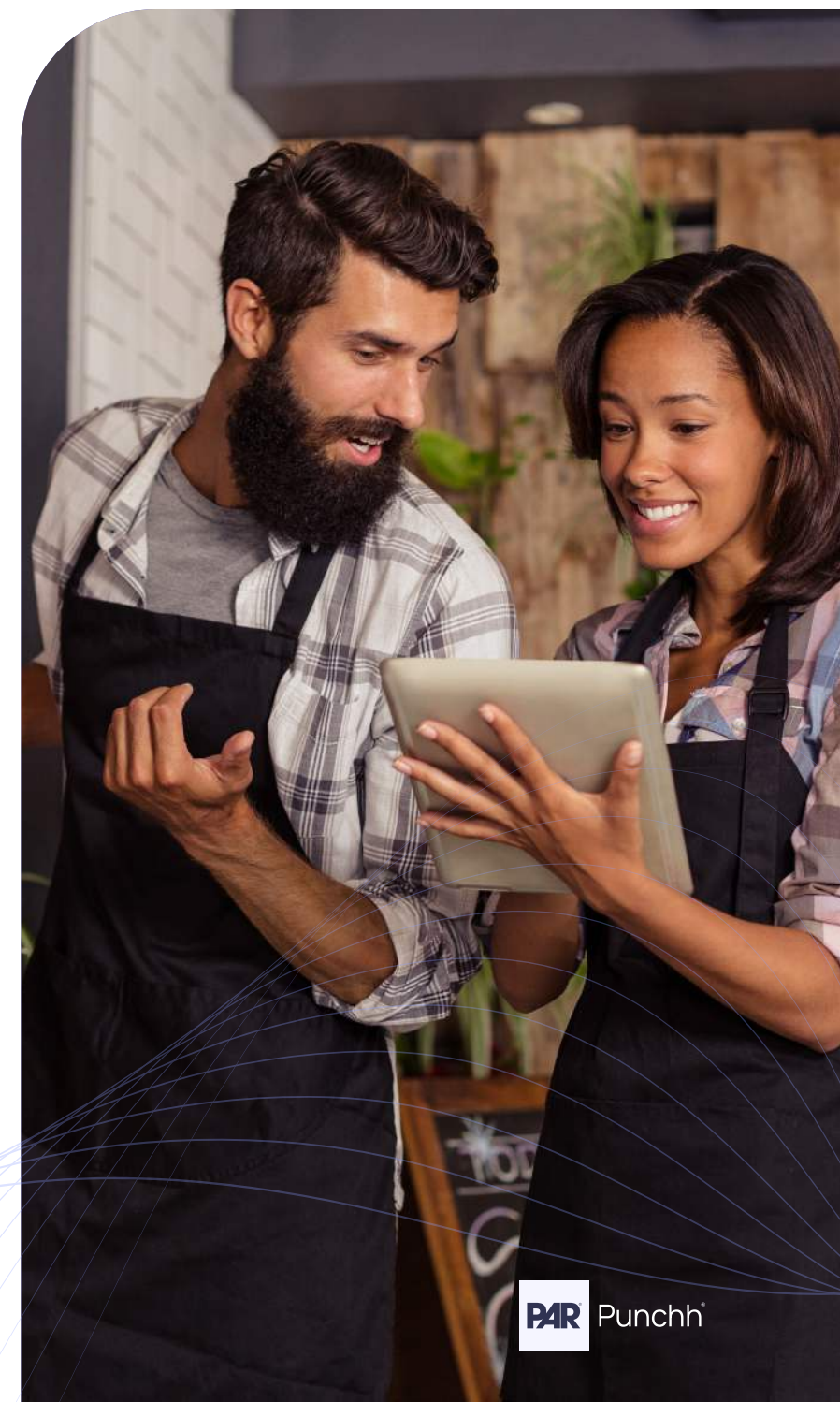
✔ **Customer Engagement:** Craft personalized subscription experiences. Think about offering rewards that keep your loyal customers hooked and design campaigns that make your subscribers feel special.

✔ **Monitor Performance:** Track metrics like subscription renewals, visit frequency, and customer satisfaction. Use these insights to optimize your offering and drive better results.

✔ **Provide Flexibility:** Allow customers to easily modify, renew, or cancel their subscriptions. A hassle-free experience means less churn.

✔ **Promote the Program:** Use every marketing channel at your disposal to let customers know about your new subscription offering and the unique value it brings.

By following this checklist, your brand will be well-positioned to launch a subscription program that enhances loyalty and drives sustainable growth.

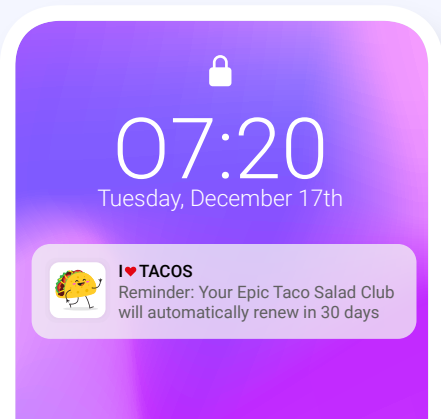


Punchh Wallet: The Seamless Tool to Enable Subscriptions

To implement a subscription program, restaurant brands need a platform that can handle recurring payments securely and provide an easy way for customers to manage their subscriptions right in your app. As an extension of the Punchh Platform, Punchh Wallet is the solution that enables these capabilities by integrating saved payment methods, loyalty rewards, and subscription management.

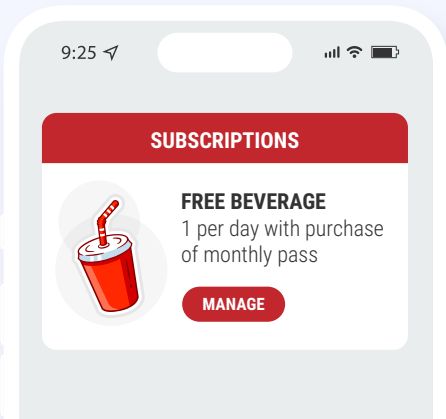
Automated Renewals

Set up reminders and automated marketing messages to encourage customers to get the most of their subscriptions, reducing churn, increasing frequency, and ensuring consistent revenue streams.



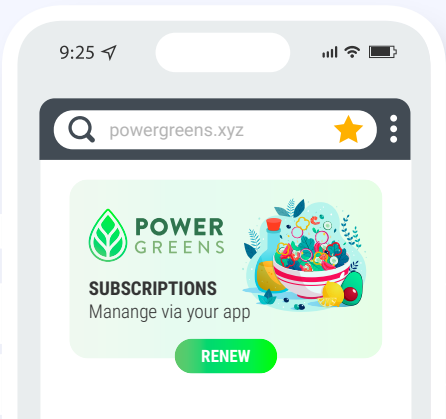
Subscription Management

Customers can manage their subscription preferences directly within the app, including upgrading, downgrading, renewing, or cancelling their subscriptions. This provides them with greater flexibility, convenience and control.



Cross-Platform Compatibility

Punchh Wallet integrates with both mobile apps and online ordering systems, ensuring customers can access and manage their subscriptions no matter how they interact with your brand.



Reporting

Track the impact of the campaigns promoting subscriptions, impact and usage of subscriptions all in the Punchh platform.

Segment and Promote Subscriptions

Utilize the data in the Punchh Platform to identify and target customers that are likely to subscribe. Offer your top-tier customers exclusive subscriptions or target the ones that you know regularly purchase family meals. Add double points when customers purchase subscriptions to get new subscribers.

By leveraging Punchh Wallet, restaurants can enhance their subscription offerings, streamline customer interactions, and drive loyalty in ways that were previously challenging without a dedicated solution.

Tried, Tested and Proven Subscription Programs

Successful subscription models can work in any restaurant category.

FAST CASUAL



McAlister's Tea Pass

McAlister's Reward Members can purchase a \$7.99 tea pass and enjoy a free daily sweet tea (or choose from an array of tea types) for 30 consecutive days. Nationally recognized for its teas, McAlister's has promoted the Tea Pass during their annual Sweet Sips Tea Fest, which includes Free Tea Day. These activities and subscription offering provide the brand a way to give back and deliver greater value to its fans.

QUICK SERVICE RESTAURANT (QSR)



Taco Bell's Nacho Fries Lover's Pass

Offers rewards members the chance to enjoy an order of Regular Nacho Fries with a choice of one of six fan-favorite sauces every day for 30 days. Once purchased, passholders unlock exclusive access to a hidden menu category, where their Nacho Fries and sauce options are marked with a special badge. The offer allows members to redeem this daily treat for 30 consecutive days through the app.

FAST CASUAL



Sweetgreen's Sweetpass+

Salad lovers pay \$10 monthly for a daily \$3 credit on online and mobile orders, plus free delivery once a month. The Sweetpass+ was tested in 2022 and generated positive results and customer demand for Sweetgreen, who then made it an official part of their program in 2023.

FULL SERVICE



Olive Garden's Never Ending Pasta Bowl

Olive Garden gives guests an opportunity to purchase a limited number of passes (23,000 on August 23, 2022), which offers unlimited servings of all pasta combinations, sauces, and toppings for \$100 at eight weeks, or \$300 for the full year. Never Ending Pasta Bowls sell out in a matter of minutes.

Leverage Punchh's Loyalty Strategy Services

Brands looking to create and optimize a subscription model can benefit from Punchh's Loyalty Strategy Services. Our expert strategists help design tailored subscription programs that align with your business goals, whether it's boosting visit frequency, increasing customer lifetime value, or creating unique offerings that differentiate your brand. They'll guide you through every step, from determining what subscription model will work best for you to tracking and optimization.

With a strategist's support, you can ensure that your subscription program resonates with your target audience, maximizes ROI, and drives long-term loyalty. Punchh's Loyalty Strategy Services provide the expertise needed to build a successful, sustainable subscription model that delivers results.



Conclusion

Subscription programs offer restaurant brands a powerful way to drive customer loyalty, increase revenue, and boost visit frequency. By providing value, exclusivity, and convenience, subscriptions create long-term connections with customers, encouraging them to engage with your brand more often. Whether you're offering meal passes, exclusive discounts, or seasonal perks, the right subscription model can differentiate your brand in a competitive market.

With the right strategy, your brand can launch a subscription program that delivers predictable revenue and lasting loyalty. Take the next step to unlock the full potential of subscriptions and create a program that not only meets your goals but exceeds customer expectations.

If you are interested in learning more about Subscriptions and enabling a new growth strategy for your brand, schedule a personalized demo today.

[GET A DEMO](#)



About PAR Punchh

PAR Punchh is the secret ingredient powering the most creative and effective restaurant loyalty programs in 89,000 locations, offering a robust platform with the industry's widest variety of tools. PAR Punchh empowers brands to craft engagement strategies as unique as their flavor, going beyond the basics to deliver personalized experiences that keep customers coming back for more. Supported by a team of industry experts, PAR Punchh helps brands solve today's challenges while building loyalty programs that grow and evolve alongside their business. With over 200 partners and compatibility with 45+ POS systems, PAR Punchh has the integration capabilities for restaurants to collect data across all customer touchpoints and make it actionable. The largest global brands trust PAR Punchh to help them increase customer frequency, spend, and lifetime value, one tailored offer at a time.