

Restaurants Serve Up Loyalty Programs To Combat Competition



Sallie Burnett Forbes Councils Member
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POST WRITTEN BY

Sallie Burnett

Sallie Burnett is a loyalty consultant, keynote speaker and Founder of [Customer Insight Group](#). 25 years of customer loyalty experience.



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The fast food industry in the United States is [forecasted](#) to exceed \$223 billion by 2020. Quick-serve restaurants (QSRs) face increasing competition and pressure to get and keep loyal customers, and it is no longer enough for brands to simply keep doing what they do well to make customers happy.

Customers are quick to jump to a competitor [if they are offered coupons or other discounts](#), but restaurant customer loyalty programs can ensure that they keep coming back. Contests and sweepstakes, as well as savings, can build brand loyalty.

Restaurants Need To Offer Rewarding Dining Experiences

QSRs have been at the forefront of the loyalty program revolution in dining and have launched innovative initiatives to attract and retain customers. The convenience and versatility of mobile applications means that companies like Wayback Burger, Panera and Chick-fil-A can offer their customers a variety of perks and conveniences, including mobile payment, instantly redeemable awards, personalized offers and more.

Wayback Payback Rewards Program

To improve the frequency of visits from customers participating in its existing loyalty program, Wayback Burger upped its rewards with a tiered system. The current program rewards a point per dollar spent. And while it used to give \$5 off to customers who reached 100 points, that milestone now transforms a Classic Member to a Gold Member and offers \$10 off. To encourage Classic Members to level up, they are notified of incentives that include double and triple point days.

MyPanera Rewards Program

Panera's customer base has been hugely responsive to its loyalty program, MyPanera. It is one of the most successful loyalty program examples, with [25 million participants](#) whose purchases make up [more than half](#) of the company's transactions.

With MyPanera, customers can save favorites to make online orders faster, get personalized rewards and receive special offers. Those perks combined with Panera's omnichannel strategy have paid off, with a segment-leading one-quarter of all sales being digital.

Chick-fil-A One Membership Program

The Chick-fil-A One program is another tiered loyalty program that rewards customers based on how much they spend in the restaurant in a year. To drive participation in the program and encourage the use of its updated mobile app, for a month, the company [gave away free chicken nugget boxes](#) to customers who used the app to sign in to or create a loyalty program account.

The revamped program was based on customer feedback, and in addition to birthday rewards and other perks, members earn more points with each purchase based on whether they are regular, silver or red members. Members can use the app in a number of different ways, such as scanning a QR code or ordering online to receive points.

Four Restaurant Loyalty Tips

Make it up to date.

Gone are the days of customers having to carry loyalty cards or keep track of points. The watchword for some of the best customer loyalty programs today is "frictionless." Most consumers have smartphones, but there should also be alternatives for customers who do not or who are more comfortable with email or text than apps. However the customer chooses to engage, reward redemption and other aspects of the program should be fast and easy.

Make it engaging.

Customers need incentives to use the program and to return, and that means offering more than just rewards for spending money. Contests, unexpected perks, social activities and tier-based programs that reward more frequent customers are all ways of driving more participation.

Make it personal.

Personalization is an important element of making a restaurant customer loyalty program engaging. Using customer data, companies can personalize rewards and make them specific to the customer's location. Personalized rewards and interactions make customers feel important to the company.

Make it interactive.

Some of the most successful restaurant loyalty programs have been designed using customer feedback. Listening to customers about what they want in a loyalty program and engaging with them on social media can increase identification with the brand. Some loyalty programs have also had success with creating a social element.

When restaurants want to increase engagement with a rewards program, social media can be a fantastic tool. From engaging with content, sharing with friends or entertaining

themselves, [70% of Americans](#) are using social media, and for many users, it's a part of their daily routines.

For example, Domino's "Piece of the Pie Rewards" promotion makes it easy for members to use the Domino's app to take a picture of any pizza (it doesn't have to be Domino's) and earn points. Using the hashtag #PointsForPies, customers are sharing their photos and pizza experiences with friends.

QSRs can no longer afford to ignore restaurant loyalty programs. Increasingly, they are a key factor in keeping customers, offering them incentives not just to return, but to spend more. However, just having a loyalty program in place is not enough. The programs must also be easy to use and responsive to customer feedback, and they must take advantage of digital technology to offer customers a fun, easy and personalized experience. With these elements in place, restaurants can look forward to long and rewarding relationships with their customers.

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