



What lessons can c-stores take from QSRs?

BY
AMANDA
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LEARNING *Loyalty* Lessons FROM RESTAURANTS

Boosting engagement in loyalty programs remain a great opportunity for convenience stores. “You have this remarkable chance for frequency, as everyone needs to buy fuel,” said Dan Bejmuk, CEO and co-founder of Dreambox, a full-service digital advertising agency that works with more than 150 restaurant brands.

The most important factor of any loyalty program, Bejmuk said, is “it has to be frictionless, easy to use.” He defines friction as anything that requires a customer to jump through hoops. “We look at successful digital experiences as something where a consumer can place an order and earn credit for that order without thinking about it. On the flip side, they can redeem [offers] fluidly, easily. The more hoops someone has to jump through, the less likely they are to use it.”

Although loyalty programs have evolved since then, a 2019 report from KPMG showed that 61% of consumers said loyalty programs are either too difficult to join or that it’s too hard to earn rewards. There is still room to grow.

The best loyalty programs, Bejmuk said, are clear, so that customers know exactly what they’re getting. “Ambiguity is when you lose guests quickly,” he said. “The more clarity they have before they sign up, the more they sign up.”

What can c-stores learn from their competition for foodservice dollars?

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VALUE IN

VARIETY



National chain Teriyaki Madness offers Asian-inspired bowls. The loyalty program leans away from coupons and focuses on points.

MORE VISITS, HIGHER CHECKS

One of the big goals with a loyalty program is to bring customers into your restaurant—or convenience store—more often and have them spend more.

Potbelly Sandwich Works launched its new loyalty program, Potbelly Perks, at the beginning of this year. The goal was to make it more appealing to sign up and engage. The revised program provides more incentives to order with Potbelly, rewarding its biggest fans faster and in a bigger way, and letting them use their points more frequently even at lower levels. “That flexibility was very important to us,” said David Daniels, Potbelly’s chief marketing officer.

Potbelly’s program is tiered, based on the number of points (“coins”) earned in a year, and members receive greater rewards and more points per purchase at each level. Members also receive double points on Thursdays;

birthday rewards; and special offers, like a free cookie on National Cookie Day. “We offer incentives to say thank you,” said Daniels.

At Wings and Rings, a fast-service brand based in Ohio, loyalty members visit twice as much as non-loyalty diners. The restaurant focuses on making its loyalty program as easy to use as possible. Diners receive one point for every \$1 they spend. When they reach 100 points, they can cash the points in for a \$10 reward. “There aren’t different tiers for redeeming, and you know exactly where you are,” said Linsey Case, marketing director.

Wings and Rings also lets its loyalty members know first about new food and beverage launches, which they can order before everyone else. “It builds excitement and makes [members] feel they’re exclusive,” Case pointed out.

Teriyaki Madness, with locations around the country, offers Asian-inspired bowls, such



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as an orange chicken or a salmon teriyaki bowl. The restaurant reported that loyalty guests spend on average 10% more than non-loyalty guests, in addition to visiting stores more often. There are also secret menu items guests can only order on the app, accessible only to Mad Rewards members.

Teriyaki Madness's Mad Rewards program offers different brackets, which unlock rewards at different milestones. The program has to be easy, said Jodi Boyce, chief marketing officer, and won't work if customers don't understand it.

Teriyaki Madness also works hard to consistently reach all of its loyalty members. A lapsed user might receive an email saying "we miss you" after 30 days of no visits. At 60 to 90 days, the chain might send them an offer to bring them back in.

Teriyaki Madness's loyalty program also doesn't rely heavily on coupons. "We prefer to let them earn their points," said Boyce.

Kolache Factory, which has around 200 locations across the United States, relaunched its loyalty program in 2022. Customers

can redeem their points once they reach 50 points, and when they're almost at this amount they receive an email or push notification letting them know, to encourage them to visit again and reach their goal.

"It's the points people like," said Dawn Nielsen, COO of the Katy, Texas-based brand. "Everything is measured by how many tokens or points you need to get to the next level, so there's that element of being reminded that you're nearly there."

This is especially important with younger customers, she said, who are "all about feeling they're valued and appreciated."

KEEPING EXCITEMENT HIGH

Teriyaki Madness likes to surprise loyalty members. It puts discounts in the app from time to time, sometimes without announcing them, often having one that expires soon to drive store visits. "It's about making sure there's something there at all times," said Case. "It keeps them engaged."

Teriyaki Madness also sends incentives and frequency promotions to its loyalty members. In January, for example, guests could receive 400 bonus points if they visited twice that month; in February, guests received a coupon for \$5 off their next order; and in March, they were entered into a free-bowls-for-a-year giveaway. The brand, said Boyce, is trying to "move the needle" and bring loyalty members in more frequently.

And what guests love, she said, is "the psychological piece when you know you're one visit away from earning your free meal. You do find people go in more often, or sooner than they would have."

ENCOURAGING BUY-IN

There's no point having a loyalty program if no one signs up, and that's where frontline employees come in, said Nielsen.

"They're integral in making a rewards program successful," she pointed out. "An employee needs to successfully talk about the program and what it can do. You can put up artwork and social media yourself to death, but that first person customers connect with is going to turn them into a rewards member."

Nielsen pays particular attention to the top five and bottom five performing stores. It's vital to stay on top of this data, she said. "It's so easy to implement a rewards program, set it and forget it, but it won't grow in that way."

Managers should talk about the loyalty program in their weekly staff meetings, Nielsen said, and frontline employees should ask every customer if they're a member, then tell them why they should become one.

That's true for Potbelly, too. "Our highest touch point is in our restaurants," Daniels said. To ensure employees ask every customer if they're a member, they have to identify whether the person is a Perks member before they take their order on the POS system.

Potbelly also has merchandising material throughout the restaurants and QR codes that customers can scan to sign up instantly.

One reason Wings and Rings keeps its loyalty program straightforward is to make it easy for staff to explain to guests.

DATA DIVES

The real reward that comes with a loyalty program is, of course, on the operators' side. It's mountains of data about who customers are, when they purchase food, what they eat and how motivated they are by discounts.

When running special offers, said Dreambox's Bejmuk, restaurants and retailers need to assess their long-term success. Does a 50% discount bring a customer back just once to redeem that coupon, or week after week?

For Potbelly, the loyalty program lets it understand what customers are buying so it can tailor offers that are "more meaningful to them," said Daniels.

Potbelly also looks into what motivates customers. If a customer always buys a sandwich, will they buy a beverage if they receive an offer?

Teriyaki Madness likes to know what consumers are buying and to send personalized incentives to loyalty members to push them into different areas of the menu, or towards different menu offerings, or incentivize them to come at different times of the day. "We follow the whole customer journey," said Boyce.



Wings and Rings also tracks customer purchases, especially when it launches something new or provides a new offer. And it looks at how frequently customers are visiting.

"We can slice and dice the data in almost any way we want," explained Case, adding that the company checks the loyalty program before it launches any offers to see where its biggest opportunity is to drive business.

Teriyaki Madness looks at how quickly customers go to a store after receiving an offer, and how much they spend and see if that changes long-term behavior.

Wings and Rings also likes to send personalized, relevant offers to customers, and tries to encourage them to eat from the brand at different times of the day to increase visits.

"When we challenged people to come one more time based on how often they were visiting, that was pretty successful," Case said.

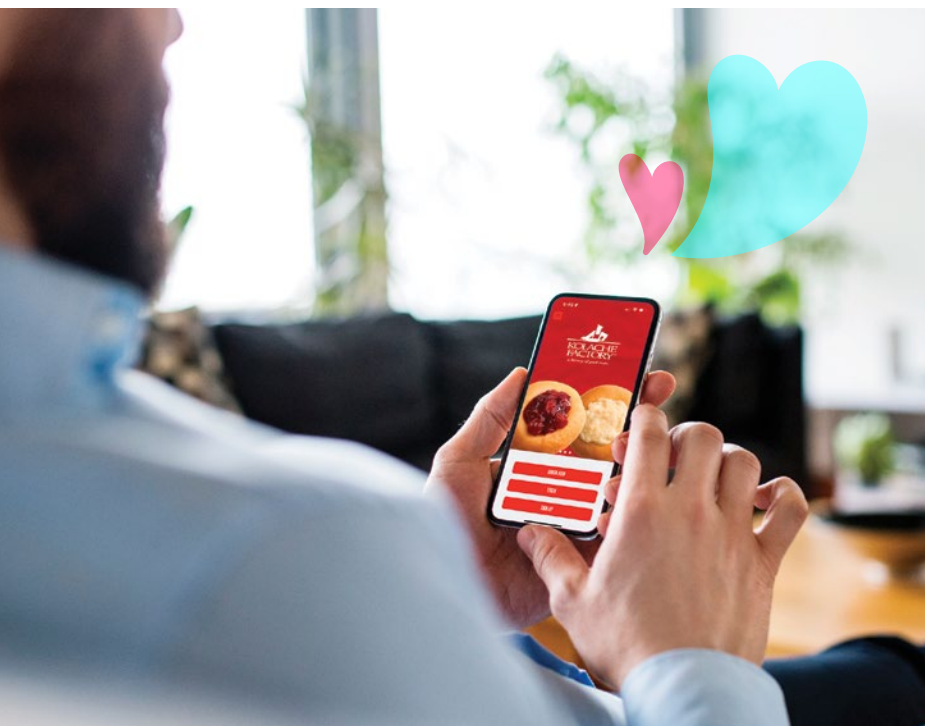
In a slightly different move, Teriyaki Madness runs surveys with its loyalty members to find out what it can do better or what customers would like to see on the menu. "We've got remarkable responses, getting thousands of replies, and that's essentially free," she said.

At the end of the day, loyalty programs offer benefits to customers and are a boon to brands. Boyce said: "Loyalty is about training guest habits and training them to come in over and over." **C**



Amanda Baltazar has been writing about foodservice and retail for trade magazines for more than 20 years. Read more of her work at www.chaterink.com.

Kolache Factory reminds loyalty members when they near important points thresholds.



PROTECT YOUR EV CHARGING STATION FROM

VANDALS

OlenaMykhaylova/Getty Images

When Jenna Hauss arrived at her job at One Generation, a Los Angeles-area nonprofit, everything seemed normal. The eight-acre campus was starting to hum with employees tending to the facility's food bank and greeting clients who use the nonprofit's intergenerational daycare centers. But then a worker came to her with bad news. Each of the site's 40 EV charging ports had been vandalized overnight.

Don't let a copper caper keep EV customers from recharging.

BY PAT PAPE



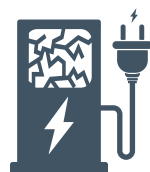
Someone broke through the fence surrounding the campus, cut the charging cables and made off with the copper inside. “We got photos of the thief on video, but he was wearing a mask” said Hauss, CEO of One Generation. “It was April 2022, and at that time, everyone was wearing a mask. The thief didn’t get Covid, but he did get a lot of copper.”

The incident was reported to law enforcement, and the facility had insurance to underwrite the pricey repairs. But the evildoer was never apprehended. “We now have a locked steel cage around each charging station,” she said. “We unlock them during business hours, so employees and clients have access to them. But we have to lock them up every night. It’s frustrating.”

The crime at One Generation is shocking, but not unusual. As the number of EV charging stations grows, so does vandalism and other damage. According to a 2023 U.S. Department of Energy’s Alternative Fuels Data Center report, the United States has approximately 50,000 public EV charging stations, for a total of nearly 130,000 individual charging ports. The Sacramento-based Electric Vehicle Charging Association notes that more than 20% of U.S. charging stations have experienced some form of vandalism, ranging from copper theft to tampering with the electrical components to short circuiting the charger.



Another reason for charging station damage has been dubbed “Green Backlash.”



More than 20% of U.S. charging stations have experienced some form of vandalism.

EV station vandalism isn’t limited to the United States or to copper thieves. German stations have reported similar problems, including one Munich facility where minced meat was stuffed into the connector. However, vanishing cables are not a problem across the pond. European charging stations have no attached cables as European EV owners purchase and travel with their own portable cables.

COPPER FOR PENNIES

Bill Ferro is president of EVSession, a Charlotte, North Carolina, technology company that consolidates information on the availability of direct current fast charging stations nationwide and distributes it to EV drivers and fleet managers to help them make travel plans. Although copper thieves sell their ill-gotten goods to recyclers and scrap dealers, he said no one is getting rich robbing charging stations.

“We track the industry very closely, and unfortunately, these incidents are too common,” Ferro said. “With the right tools, it takes only a couple of minutes to cut the cable. But no one is getting rich selling cables. Copper goes for \$3-5 per kilogram, and there are about 2 pounds of wire in a cable. A thief is not going to receive full price. They’ll have to sell it for half of what it’s worth, so vandals aren’t making a lot of money.”

Another reason for charging station damage has been dubbed “Green Backlash.”

“It’s the same twisted thought process that causes people to ICE the charging station [meaning block it with an internal combustion engine vehicles] or to key a Tesla as they walk by,” Ferro said. “I can’t explain the thought process, but typically those people are afraid of change in some way.”

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