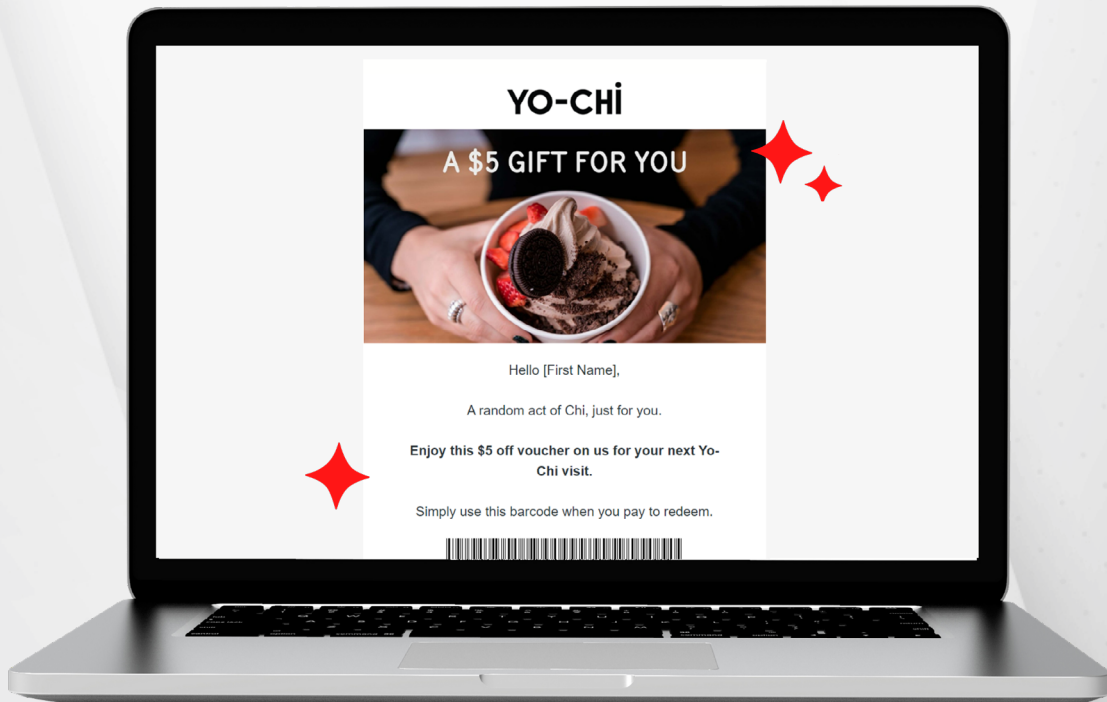# Redcat Customer Loyalty Program

A CASE STUDY OF SUCCESSFUL LOYALTY PROGRAMS

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What's working and what it *means for you*

A CASE STUDY OF SUCCESSFUL LOYALTY PROGRAMS

Hospitality platform provider Redcat and customer retention experts Impact Data have come together to provide QSR and Fast Casual clients with a solution to help drive more engagement and visits from their loyalty program members.

In a pilot study, we analysed the behaviour of **500K** Redcat loyalty customers ranging from small chains to Australia-wide household brands to understand **what success looks like** and how it can work for you.

What do we deliver?

Redcat clients who have a loyalty offering have combined with an Impact Data **customer retention solution** to have a powerful **hands-free marketing** tool to help drive their loyalty program.

The native coupon integration between Redcat and Impact Data's digital marketing application TalkBox provides real-time and fine-grain opportunities to incentivise and **engage members** throughout all parts of the sales cycle.

Impact Data analyses loyalty, transactional and **behavioural data** of every member in the database and then triggers the right message at the right time to get the next visit or order.

Redcat's highly configurable loyalty solution is a key part of their hospitality platform– Polygon.

Enabling customers to build a points or visitation-based program that provides **accrual** and **redemptions** across all ordering channels.

This **closed-cycle ecosystem** allows businesses to create and manage their loyalty offering via Redcat with the knowledge that the automated messages are **triggered each day** to welcome & onboard, engage, surprise & delight, and retain customers trending away.

How it works

Customer joins client loyalty program via in-store or app sign-up

TalkBox analyses the whole database every day

Behavioural messages are triggered based on the customer's visit, absence of a visit or other profile information

Additional incentives in the form of Redcat coupons may be added to drive the desired behaviour

Does it work?

Yes! The data doesn't lie. We researched the performance of over **500k** users across 11 Redcat and Impact Data clients and learned that the **right mix of behavioural triggered messages** has a huge impact on whether a customer returns.

In fact, when the right mix of messages is sent, we can impact the likelihood that a **customer will visit tenfold.**

Here are the numbers:

If your database had **1,000** loyalty members:
On average, without prompting, any member is about **2%** likely to visit in any 7-day period. That's about 20 per 1000 customers that will visit unprompted.

Now we add Impact Data's hands-free marketing program and the numbers look like this:

If your database had **1,000** loyalty members:

On average, with the right mix of messages, any member is about **10-20%** more likely to visit. That's about 100 to 200 visits **(an increase of a minimum of 80 visits).**

Say an average sale was $8 that could mean at least an **additional $600** in revenue per week.

The Key Takeaway

Getting a second visit

What we learned

As much as 70% of loyalty members don't record a second visit

What success looks like

The most successful loyalty programs have over 70% of members record at least a second visit

TOP TIP: Customers need to be reminded at checkout to scan their member card. Think customer-facing scanners, staff incentives and even badges at checkout to increase your scan rate

How can we help you?

Triggering a series of messages designed to turn that signed-up customer into a loyal advocate. Starting with a welcome series that reminds them about the value of the program and includes an incentive to get the second visit

The optimum level of automated messages

What we learned

At least 7 messages is the number that impacts a change in the results amongst our clients

What success looks like

A series of Email and SMS triggers that included: Welcome, Revisit, Birthday, Late, Lost and Updates on how far the member is from the next redemption point

TOP TIP: Build each customer's points balance, and even calculation to the next redemption point, into the email template to keep the value top of mind even in your regular newsletters

How can we help you?

We know which triggers influence behaviour and we set them up for all our Redcat loyalty customers, so you can be certain to be successful from the start

The Key Takeaway continued

Are incentives important?

What we learned

Depends on the behaviour being targeted. Some of the most effective messages are about reminding customers they have loyalty points to redeem. When an additional incentive is offered, the perception of value matters. For example:

A '10th coffee free voucher' is redeemed at a higher rate than 'a $20 off order' in another brand because of the engagement with that program in general

What success looks like

Depends on your loyalty program, your brand, and how engaged your customers are with the program

TOP TIP: Our research shows that being more generous on birthdays, and using $ off rather than % off tends to drive a better redemption rate

How can we help you?

Our expertise can help you set up the right mix of messages and offers. And our voucher reporting can help to determine the impact offers have on the program and your bottom line

Can you get lapsing customers back?

What we learned

Yes! Triggering messages after customers missed an expected visit date is an effective way to reactivate customers

Success varies as not all clients use this type of campaign but in most cases, nearly 10% of customers are reactivated

What success looks like

Automated messages to engage customers at different parts of their journey is as important as waiting til customers have stopped visiting

TOP TIP: Don't give up. Customers can be enticed back after long periods of absence, so ensure to include this as part of your automations

How can we help you?

After 3 visits, Impact Data is able to calculate an 'expected next visit' using machine learning and statistical analysis. This is custom to each contact in the database and allows the triggering of pre-emptive messages to bring a visit forward, or late and lost promotions to re-engage that customer. This important calculation is a measure to ensure you don't over-invest in incentives for customers that are actually engaged in the program

Client example 1

A new chain specialising in artisan sandwiches and signature bowls in NSW has 7 locations. Making use of a successful Redcat loyalty program their brand is growing from strength to strength.

An Impact Data customer since the launch of their program, they have taken advantage of all the suggested **behavioural messages** and the results speak for themselves.

With 12 date-triggered communications, they are focused on maximising the engagement with members.

Key takeaway

- The probability of a customer visiting **unprompted** was at its highest at **5.6%**. Indicating a strong level of engagement with the brand

- When the performance of the **behavioural messages** was analysed, the probability that a customer would visit rose to over **21%**, again about double the average for people who had received a behavioural message

- Some of the best **performing promotions** are: birthday, 10th visit free coffee and getting a second visit

Client example 2

Yo-Chi has remained a customer of Redcat and Impact Data throughout the **significant changes** to their business but what has remained constant is their **high-performing loyalty program.**

As a business that can see, anticipate and plan for seasonal challenges, having access to a loyal and engaged customer base has been key to the success of the business.

Key takeaway

- **Yo-Chi's** consistent operational approach to **asking every customer if they are a member** of the loyalty program, and asking new customers to join, shows in the high level of new members added per month and the exceptional revisit rate. With over **70%** of loyalty members recording a second visit this is a **stand-out statistic**

- Although only a few key **behavioural messages** were activated, their impact on members was significant. The likelihood of a customer visit went from 1.5% to **over 39%**! Messages attract customer attention as the visitation rate is higher than the voucher redemption rate. Sometimes customers need a prompt to remember how much they enjoy your menu

Since presenting this report to Yo-Chi, Marketing Manager Lauren Lagos has looked at the program with fresh eyes and has commenced automating more messages.

About ⚛ Redcat

Redcat works collaboratively with hospitality partners to help achieve exceptional customer experiences through **smart and fully-integrated technology**. This enables the use of real-time data to identify and address areas of need.

Redcat's centralised platform runs **quietly in the background**, allowing its partners to work more efficiently, providing consumers with seamless, easy-to-use technology that enhances the overall purchasing experience.

From smartphone apps to **tailored loyalty programs**, and delivery partner **integration to point-of-sale** (ePOS) services, Redcat provides Marketers, Operators, IT and Management with everything they need to run their hospitality businesses, seamlessly.

Learn more at **www.redcat.com.au** or contact **sales@redcat.com.au.**

About IMPACT DATA

Impact Data has been helping hospitality, service and retail businesses **get more visits, more often for more** than 20 years.

Founded in Melbourne, and with a UK arm, our thousands of clients range from small family-run businesses to major international brands. What these businesses all have in common is a desire to connect with their customers more **effectively off-premise** and to keep them engaged and visiting.

Our digital marketing application TalkBox is a market-leading, simple-to-use platform that analyses your customer data and **calculates the perfect time to send** an email or SMS to your customer, hands-free.

Learn more here **www.impactdata.com.au** or reach out to us at **hello@impactdata.com.au**

Ready to get more out of your loyalty program or even get started with loyalty?

Click the button below and get in touch with our Redcat experts to take the next step:

Redcat Journey Signup

Or scan the QR code: