OOLIO engage

OOLIO Engage Loyalty Guide

cheat sheet

OUR HELPFUL GUIDE TO HELPING YOU DESIGN THE RIGHT LOYALTY PROGRAM FOR YOUR BUSINESS

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INTRODUCTION

OOLIO, part of the OOLIO group, is one of Australia and New Zealand's premier point-of-sale solutions for hospitality, retail and online.

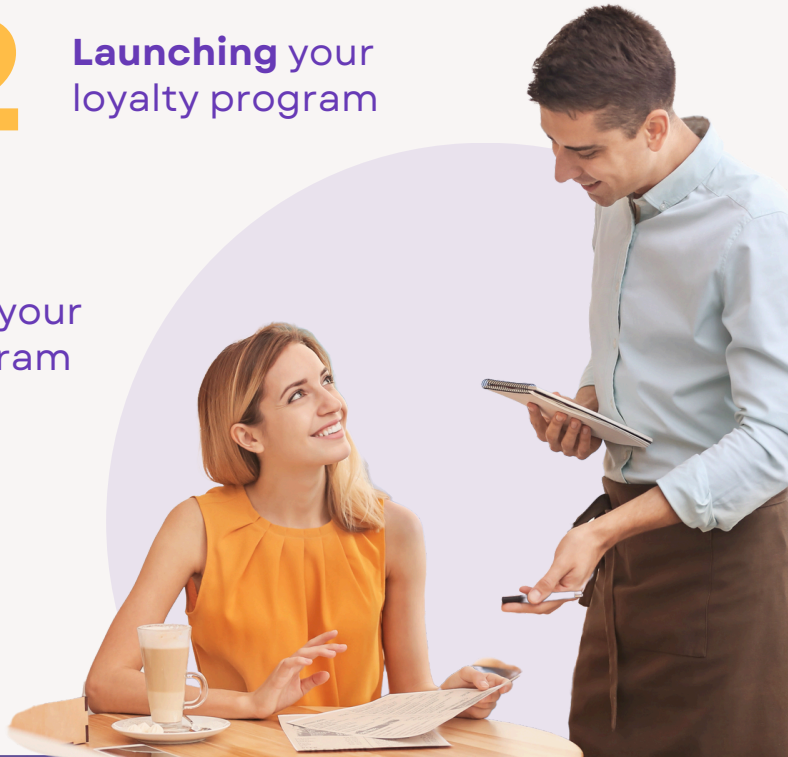
Integral to our solution are the features you need to manage a successful loyalty program. This flexible offering can be delivered in several ways to support your business strategy. We have developed this guide to help you decide on the right offering for your business and customers and ensure a strong ROI on your loyalty investment.

Our helpful guide will take you through the key stages of building your loyalty program:

1 **Designing** your loyalty program

2 **Launching** your loyalty program

3 **Leveraging** your loyalty program



Let's talk a little about *loyalty*

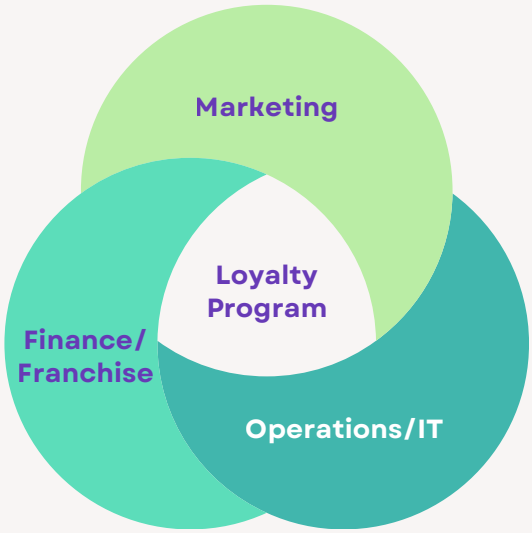
Why does your business need a loyalty program?

- **Customer and loyalty data drives business** and using it to drive revenue is key. Knowing and being able to care for your best customers makes good business sense.
- **Influencing demand** – when you can contact your customers, you can provide incentives to build sales on quiet days, offer deals to increase transaction value and even smooth out your demand.
- **Giving to get** – customers demand something for the use of their data.
- Customers expect a more **personalised experience.**
- If you don't know your customers well, **does your competitor?**
- **Increasing the share of wallet** - staying top of mind with regular engagement is the key to not only leveraging the value of your loyalty program; but also keeping your brand top of mind.



Who owns the loyalty program?

A successful loyalty program is embedded into the operations of a business and all departments have a key role to play.



- **Finance/Franchise** - from setting budgets to helping report on success, the finance function needs to understand the objectives of the program and help to determine the measurements of success.
- **Marketing** - Owning the customer; marketing needs to ensure that they are putting the customer at the centre of the program design and build a plan for acquisition and engagement.
- **Operations/IT** - Building the program into daily operations is a key success factor. How does the operations team execute the acquisition and engagement plan designed by marketing?

Why will consumers join my loyalty program?*



Convenience
“I already purchase here”



Transactional
“Rewards/benefits are worthwhile”



Emotional
“I have a connection to this brand”

To build an effective loyalty program, you need to deliver on all three of these needs. (Don’t worry, we will show you how!)

**From For Love or Money*

Loyalty programs in hospitality businesses

Some of the most effective loyalty and customer engagement programs in Australia are delivered by hospitality businesses and it's not just the big franchise chains that benefit.

Here's what makes them great:

- **Easy to sign up** and access benefits with a digital member card or app
- **Staff are engaged** and communicate the value of the program
- **Simple to understand** mechanics like every 10th coffee is free
- **Regular communications** via customer app, email & SMS to keep members engaged
- **Member acquisition** is an 'always on' activity



READY TO
GET STARTED?

STAGE 1

Designing your loyalty program

Designing your loyalty program starts with knowing what you want to achieve, the tools you have to achieve those goals and what gaps you have to fill.

A successful loyalty program sits at the heart of all of your business operations.

This section will guide you through the steps you need to manage in the design phase.

Loyalty Program Elements

1. What are your loyalty objectives?

Some suggestions to get you thinking:

Year 1: 20% of your transactions by loyalty members or a database of 2000 customers (around 40 new members a week)

Year 3: 50% of your transactions by loyalty members or a database of 5000 customers (approx 30 members a week for 3 years)

Your loyalty program objectives:

2. How will you build your loyalty member base?

Here's some of our top tips:

- [ ] Create a sign-up page on your website
- [ ] Promote on your social media page
- [ ] In-store marketing - digital signs on your POS screens, QR codes on your menu
- [ ] Get your staff involved - set targets, create an incentive for the most sign-ups
- [ ] Run a sign-up incentive and give your regulars a special offer to sign up
- [ ] Automated sign-ups for online ordering customers

3. Your OOLIO toolkit

Here is your OOLIO shopping list to help you deliver the right loyalty program for your business:

- [ ] Digital member card
- [ ] Member app
- [ ] Online ordering
- [ ] Kiosk
- [ ] Digital screens



For information on the OOLIO Loyalty Toolkit contact **help@oolio.com.au**

Get in touch >

4. Customer data requirements

There is a balance between what you need to capture to identify your customers and how much personal data you want to store and collect. An OOLIO Loyalty Program will collect the following fields from the consumer and the data below from their participation in the program.

- [ ] First name
- [ ] Last name
- [ ] Email
- [ ] Mobile
- [ ] Date of birth
- [ ] Permission to market

Data that OOLIO will generate to help drive the program:

- [ ] Transactions where the customer has identified themselves
- [ ] Transaction location
- [ ] Points balance/history
- [ ] Promotions redeemed

Is there anything else important to your business that you need to know?

5. Selecting the right mechanic for your program

Three basic mechanics work well for loyalty programs.

	POINTS	VISITS/STAMP CARD	MEMBER BENEFITS
Description	*Points* - simple points for purchase. The standard value of points is usually 5c or 10c on the dollar which equates to free $5 or $10 every $100 spent.	*Digital Stamp Card* - taking the paper card into the modern era with the ability to know who has a card (and contact them if they stop visiting) and customers have the ability to understand when they will receive the next reward.	Members are rewarded with member pricing for each transaction.
How it works	Points on all or some purchases.	Each visit is counted as a 'stamp' in the loyalty program.	Each transaction attracts member pricing.
How do customers identify themselves as a loyalty member	Digital Member Card, App, Via POS look up, Redeeming a voucher.	Digital Member Card, App, Via POS look up, Redeeming a voucher.	Digital Member Card, App, Via POS look up. Redeeming a voucher.
How customers are rewarded	5c or 10c on the dollar.	At fixed points of the journey *eg. 5th and 10th visit.*	With each visit.
Pros	Simple to communicate. Can be adjusted to meet margin goals. Rewards customers who buy more than a coffee/single menu item.	Simple to understand and communicate. Fixed cost of loyalty rewards.	Will drive acquisition of regulars. Simple to understand and communicate.
Cons	There can be a lack of transparency about the value of points/how close you are to a reward.	May not adequately recognise/reward high spenders.	May be over-investing in some segments.

What mechanic is going to work for your business?
Before you answer here are a few things to think about:

- Do I want to be the same or different from my competitors?
- Does my choice offer the right flexibility for my business?
- What is my business capable of managing?

Remember the key to a great loyalty program is being able to explain the benefits in about 10 seconds.

My Loyalty Program mechanic is:



6. Preparing your loyalty budget

A loyalty budget has two elements - **Revenue** and **Costs**.

Here are the key elements for you to work through for your business.

REVENUE ELEMENTS	COST ELEMENTS	THINGS TO CONSIDER
Increased Frequency	Cost of Rewards	If your cost of rewards is 10% you probably need to target a 20% revenue increase to cover all costs and build a return. Remember it may take a while for customers to earn enough to redeem, but you should accrue rewards on your balance sheet. If your business is franchised, how do you account for the rewards? Do they come from COGS, a marketing fund, a special levy etc. Many businesses will account for rewards as part of COGS but you might want to break it down across the same categories you manage your inventory *eg. food, cold drinks, hot drinks etc.*
Increased ATV	Marketing Costs	To be successful you may need to increase or redirect your marketing budget. Some of the costs to account for may include: • Member materials - app, card, screens, signage, website updates • Hardware and software updates • Incentives and sign-up bonuses • Communications platform (included with your OOLIO solution) • External marketing *eg. online & social media ads, launch event(s)*
Stimulating or moving demand	Labour Costs	By using your loyalty program effectively you may need to review your staffing levels at different times particularly if you are doing a large loyalty campaign.

LIVE, LAUGH, LAUNCH.

STAGE 2

Launching your loyalty program

The launch phase of your loyalty program is where all the technical elements come together in a way that is going to engage your customers and get them excited about joining.

The elements you need to consider here:

- What are you going to call your program?
- How are you going to launch?
- When will you launch?
- How will you attract members initially and ongoing?
- How will you embed the program into your business operations?
- How will you measure success?



Loyalty Program Launch Plan

ELEMENT	CONSIDERATIONS	YOUR PLAN
Program Name	• Customers want to belong • Customers want to create emotional connections • It needs to align with your brand • It should be memorable and easy to spell • Will you name your points/visits as well • Do you need to secure the URL Some fun suggestions to get you thinking: • Sweet Treats • My Coffee Beans • The Lunch Squad • Fill My Cup Club	
How are you going to launch	Here's a checklist to help your planning: 1. Create the loyalty logo 2. Build the marketing assets 3. Define your terms and conditions 4. Update your website 5. Staff briefing 6. Update POS 7. Communications plan 8. Test the signup process	
When will you launch	• Soft launch to staff, family & friends • Live launch to the public	
Acquisition Initial Phase	Some ideas to get you started: • Create a signup bonus *eg. free item or 2 visits added to your digital stamp card* • If you have a database of customers, invite them to become members with a strong offer • A bonus code on your social media pages • Host an event at your store	
Acquisition Ongoing	• Build it into your operations - ask every in- store customer to join • Add signup codes to menus • Add signup options to your online ordering • Add QR codes to receipts • Market on your digital screens **TOP TIP:** get your current members to help recruit new members with 'Share the Love' and '2 For 1' campaigns.	
How will you measure success	• Total number of loyalty customers • Growth of your loyalty database • Transactions of loyalty customers • Average visit/spend of loyalty customers • Number of active loyalty members	

MAXIMIZING THE BENEFITS.

STAGE 3

Leveraging your loyalty program

Congratulations you are in the 'forever' stage of your loyalty program - leveraging it's value to drive your business.

The key to leveraging your loyalty program is 4 key steps that are a little like dating...

- **Welcome and onboard - Get a second, third and fourth date**
  - One or more messages to help customers understand the value of your program and explore your menu
  - Ask for feedback to understand customer sentiment
  - Messages designed to get customers returning

- **Engage - Keep them informed and interested in your relationship**
  - Promotions, menu updates and news about your business
  - Key hospitality occasions *eg. Mothers Day and Christmas*
  - Staff and store updates
  - Competitions

- **Surprise & Delight - Celebrate your relationship**
  - Reward milestones/events
  - Reminders *eg. getting close to a redemption point*
  - Reward your best customers
  - Just because!

- **Retain - Stay together**
  - Late and lost customer communications
  - Keeping track of points and rewards
  - Bonuses and offers

As an OOLIO customer, the great news is that we take care of this phase for you. In partnership with customer retention experts, Impact Data, we have developed an engagement and retention program for you that will deliver more visits, more often.

GOING DIGITAL CASE STUDY.

Going digital pays off for Macksville Hotel

New OOLIO customer *The Macksville Hotel* a local landmark on the Coffs Coast, was looking for a better way to engage their customers in their existing loyalty program.

'Moving to OOLIO allowed us to replace physical member cards with a Digital Member Card and take all the hard work out of signing up new members' said Venue Manager Karl Spears.

'As a busy pub that prides itself on our customer service, we also wanted to make it easier for our staff and customers when it comes to engaging with the loyalty program. No longer do our staff have to look up members and attach them to the transaction, customers simply scan their digital card at our scanners during the transaction to get their member pricing.'

The Macksville Hotel OOLIO Loyalty Program elements:



QR code sign-up either online or in the venue



A branded Digital Member Card that can be added to the Google or Apple Wallet



Member pricing with additional surprise and delight elements



Customers using the Digital Member Card spend slightly more per transaction

Going digital pays off for Macksville Hotel

The early results:

OVER **50%**

Over 50% of the Macksville members have signed up for the Digital Loyalty Card within 30 days of launching.

175 NEW

175 new customers joined in the first month since launch.

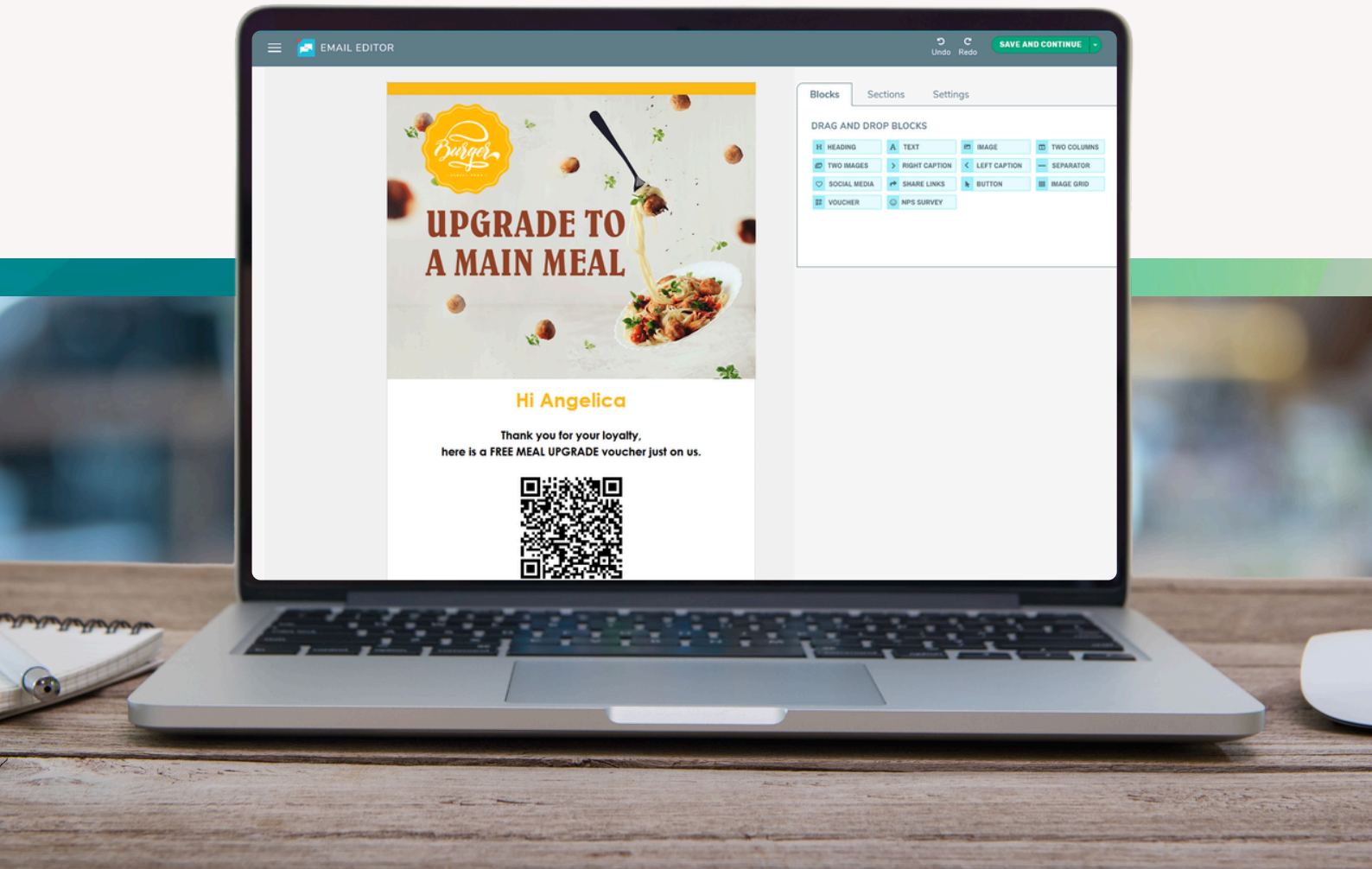
Increased **spending**

Customers using the Digital Member Card spend slightly more per transaction.

OOLIO Engage = OOLIO Loyalty + TalkBox Automated Retention Marketing

OOLIO Engage is a partnership between OOLIO and customer retention experts Impact Data. OOLIO loyalty customers can take advantage of a package that triggers the right message, at the right time with the right offer to keep loyalty customers engaged and visiting.

Contact us for more information >



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OOLIO.com.au