



That “we miss you” offer could be making you lots of money!



The Challenge

Franchisees were having difficulty seeing the value of the chain's corporate-run win-back program. They were convinced that guests redeeming the “we miss you” offer were not spending any more than its retail value.

The Program

A weekly email is sent out to a chain's loyalty program members who have not visited any of the restaurant locations in the past 90 days. The message contains an offer for a free entrée, which can be redeemed within 30 days.



Results

\$1.7M

Per Year in Sales

10X

ROI

After some data analysis, the franchisees were delighted to learn that restaurants were receiving about **\$8** in incremental revenue from guests who redeemed the offer and that the spend for those guests was **74%** more (net of the entrée reward) than the chain's average check across all guests.

The reward was actually paying for itself on that first member visit. Plus, a considerable number of the targeted guests continued to visit during the 10 months following the promotion. In reality, the franchisees were experiencing a 10x return on the cost of the win-back offer.

Long-term benefits and guest behavior:

Producing about **\$1.7 million** per year in sales, the strategic campaign has been paying off handsomely.

As an organization, this chain considers loyalty accounts that have been dormant for more than 90 days to be lost guests. In other words, if no action is taken, these guests are viewed as having a future lifetime value of \$0.

Between 12% and 13% of the chain's dormant users respond to this campaign by visiting a restaurant and redeeming the offer for a free entrée. On average, responders visit **1.2 times** during the month long promotion.

Prompting visits within the month is just the beginning of the stream of spending that this campaign inspires. It turns out that **70%** of these members continue to stay active (each visit occurs within 90 days of the previous visit) in the months following the promotion.

We also found that the post-promotion LTV of each of these guests is about \$80 in revenue, which is obviously far north of the pre-promotion LTV of \$0. With these numbers, the corporate marketing team was successfully able to ease the franchisees' wariness about win-back promotions.

This Paytronix-powered promotion was easy to set up and had several other benefits, including:

No drain on resources: An automated campaign runs weekly without involving the chain's marketing or IT staff.

Useful guest behavior data: Reports detailing the campaign's results help the corporate marketing team articulate the promotion's true financial benefit to franchisees.

Less fraud: Through the integration with the merchant's POS, Paytronix limits fraudulent guest activity by making the reward available only one time. Plus, on the campaign's expiration date, the system automatically removes any unredeemed rewards from accounts.