SmasHBURGER™

Smashburger® Leverages Paytronix's AI to IA℠ to Drive 6.5% of Annual Sales Growth with Relaunch of Smash Club Rewards

CATEGORY: Marketing Innovation Icon

Founded in Colorado in
2007

Fast-casual restaurant serving a better burger

Famous for Certified Angus Beef® burgers smashed on the grill

236
corporate and franchise restaurants in
36 states and 8 countries.

Data-Driven Smash Club Rewards

An innovative company that is always seeking new ways to motivate guests, Smashburger leveraged its loyalty data and Paytronix's AI and machine learning to create personalized, one-to-one marketing campaigns. These efforts played a major role in helping the company meet its sales-growth objectives amid a difficult economic climate. In light of such success, the burger brand perfectly exemplifies the benefits of AI to IASM – the practice of using artificial intelligence to drive individual action.

As a Data Insights client, Smashburger enlisted Paytronix's AI to IA℠ services to "micro-segment" its customer base and create a powerful, data-driven loyalty program. Through personalized, one-to-one marketing campaigns, it has steadily spurred additional sales.

In 2020, the loyalty program accounted for at least $1.9 million in incremental sales, which represents a staggering 6.5% of the brand's overall sales growth for the year. Smashburger hopes to smash that number in 2021 by nearly doubling the brand impact of the program.

Last year's relaunch saw Smashburger replace its old rewards program with a new one designed to enhance insight and increase brand agility. Whereas all Smashburger guests had previously received the same rewards and messaging, they are now targeted based on preferences and behavior.

> "The Paytronix-powered loyalty program was a key component of the Smashburger same store sales growth story."
>
> – Scott Johnson, VP of Marketing

"Through the SmashClub Rewards program, we utilized the Paytronix tools to tailor communications in a targeted way to what guests enjoy," said Loyalty Manager Lexi Ryan.

With its data-driven and AI-powered campaigns, Smashburger was able to achieve a far more profitable campaign structure while also providing rewards that align with the individual preferences of their guests. Clustering algorithms were used to send out highly segmented campaigns that generated a vastly improved level of engagement.

The results reflected:

20% lift in spend

61x ROI in relation to segmented menu clustering campaigns

16% lift in visits

Tactics deployed include:

- Small tests to boost visit frequency

- Reengagement campaigns

- Segmentation of members based on purchase behavior to create a personalized guest experience:

    - Veggie burger promotion that targeted guests who typically don't buy beef

    - LTO that rewarded frequent purchasers of fries with a free order if they tried a new menu offering

- Refined member benefits (double and triple points for Gold and Platinum members; preferred birthday rewards)

- Order-and-delivery incentives (triple points for ordering online)

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> **Instead of just blasting guests with communications screaming about the Smash Club program, we leveraged the Paytronix platform to tailor communications to what guests enjoy.**
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> "

"Offers are tied to core behavior so that guests get what they love. We want them to make their experience personal."

– LEXI RYAN, LOYALTY MANAGER, SMASHBURGER

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