

Loyalty Payoffs - Restaurant Management (RMGT)

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Copperleaf Rewards gives guests offers and the chance to accrue points.

A new loyalty program at Copperleaf Restaurant at Cedarbrook Lodge in Seattle launched yesterday.

“We want to show that we value the relationship with our customers, by giving back,” says culinary director Roy Breiman. “We want to show a genuine concern for the people who come here.”

And the program helps the restaurant, he adds, because it encourages customers to come back and accrue points or redeem rewards. It also introduces diners to new items on the restaurant’s menu, such as opting for a dessert when they usually wouldn’t.

Guests can sign up for Copperleaf Rewards online and they are immediately eligible for awards including a \$20 gift certificate; and a complementary appetizer when purchasing two entrées any Sunday or Monday.

Members also receive rewards such as a complementary dessert on their birthday and a \$20 gift certificate on the anniversary of them joining Copperleaf Rewards.

In addition, they accrue points each time they eat at the restaurant, based on how much they spend. They can redeem them for anything from a custom blended wine tasting for two people (150 points), to a seven-course tasting menu for two people with select northwest wine pairings and custom made herb boxes with organic garden seeds (7,500 points).

“A lot of our benchmarks for points are based around what we’re known for—high quality food and wine,” Breiman says.

The Greene Turtle chain of 31 casual dining/sports bars based in Maryland, with locations in three states and Washington, D.C., has had success for many years with its Mug Club loyalty program.

Customers pay an upfront fee of \$35 to \$45 (depending on the market) to buy a logoed mug that they keep at the restaurant. Any time they order a 16-ounce pint of beer, their 18-ounce mug is filled, so they get a discount—“and that’s any beer, any time,” says Chris Janush, spokesman for the brand.

Members are also invited to exclusive events or offers such as free appetizers during happy hour “so they do have a sense of ownership and VIP membership when they come in,” he says.

“What it does for us is it creates a relationship with customers. What we really try to develop in every location we open is the neighborhood feel. There’s that feeling when you come in that employees will remember who you are.”

And having these members is great marketing, Janush adds. “They are really brand ambassadors for us.”

Aroma Thyme Bistro in Ellenville, New York, has three levels to its loyalty program: silver, gold and platinum.

Alongside the typical offer of a free entrée on members’ birthdays, it makes more extravagant offers.

Every month there’s a drawing for four to six free birthday parties for members to bring at least 10 of their friends.

“We want more people than less because when you get a group of people together they start drinking,” says chef and owner Marcus Guilliano. “There’s more synergy with 10 or more people.”

These parties have a \$21 and more per person alcohol average,” he says. “And we all know how profitable alcohol is. I take a slow night and bring in 10 to 20 people.”

Guilliano’s also found that he can upsell to these members, but that he should do it once they’re in the



restaurant, not before. “We’ve found that people respond better to that once they’re in the room, having a party, and in the mood.”

Aroma Thyme Bistro also runs a couple of Top 50 parties.

“We throw a party for our top spenders in a year. We put out the food; they buy the drinks,” Guillianio says. “We do upscale food and it’s not unlikely that guests will buy expensive wine. We can make \$1,500 to \$2,000 of sales in one night from alcohol.”

And he ensures he keeps his members coming back.

“If someone doesn’t dine with us for six months we send a card to our top 500 spenders with an offer to entice them back in,” he says. “We spent \$466 just before Thanksgiving to send a no strings attached offer of \$10 off for the next month and the result was just over \$1,700 back.”

Loyalty programs can be very valuable if they’re part of an integrated marketing strategy,” says Denise Lee Yohn, a brand consultant who specializes in restaurant companies.

“If you are trying to reward your best customers, a loyalty program can be very effective.”

But she cautions against two things:

- Don’t be in too much or too little contact with your members. Around twice a month is ideal, Lee Yohn says. “You don’t want to inundate them with communication, but make sure you remain on your customers’ radar screens.
- Don’t provide communication that’s not relevant to your loyalty program members. “Don’t just beat your own chest and talk about the great things that you do. People don’t always want to be hearing you talk about yourself.” Much better, she says, is to give members offers.

Loyalty programs are also a great opportunity, Lee Yohn says, to gather data on your customers.

“You can then use that information to send out personalized offers,” she adds.

“You might as well use that to address [your customers] personally or to develop a targeted offer.”

It also means you can tailor your offerings specifically to a guest. “If you capture their birthdate, send them a birthday greeting and give them something free, but at least acknowledge that it’s a special date. You could also send out offers for their wedding anniversary, their kids’ birthdays, and other events.”

The Greene Turtle doesn’t gather information beyond birthdays from its Mug Club members “but going forward we do want to learn more about them,” Janush says.

“We have talked about a loyalty program that’s card based or code based on a phone to learn more about our customers. We would hope that can help us come up with better decisions and programs to grow revenue and keep us as a very attractive franchise opportunity.”

By Amanda Baltazar