

SUCCESS STORIES - SUMMARY

Project Name	Client	Brief Description	Key Analyses
Loyalty program analytics	RESTAURANT CHAIN	Evaluated the performance of the loyalty program and the customer behaviour pre and post loyalty registration.	Customer de-duplication, customer data consolidation, customer frequency by key timeframes



Loyalty program analytics

(Restaurant Chain)

Evaluated the performance of the loyalty program and the customer behaviour pre and post loyalty registration.

LOYALTY PROGRAM ANALYTICS FOR AN F&B COMPANY

ABOUT THE CLIENT

Client is a Mexican restaurant chain with presence across the United States

SITUATION



- Client had an opportunity to improvise their loyalty program by assessing its effectiveness and evaluate if there is a significant benefit to promote the Loyalty Program
- Merilytics partnered with the client to evaluate the Loyalty program sign-ups & sales along with the customer journey to help client understand the effectiveness of their Loyalty program

VALUE ADDITION



- De-duplicated the customer data to accurately identify unique customers and track their journey
- Consolidated data from various sources into a single platform to estimate loyalty sales by each customer
- Compared the purchase behavior of loyalty and non-loyalty customers by analyzing the key metrics such as # spend per check, visit frequency, etc.
- Evaluated the purchase behavior pre and post loyalty registration to understand the effectiveness of the program and if customer behavior was driving the registration

IMPACT



- Our analyses enabled the client to identify that the high frequency customer are opting for Loyalty program and their frequency remained unchanged post the loyalty registration.
- The insights from the analyses helped the client to revise the existing loyalty program and target the right customers in order to increase registrations based on their visit number and number of guests.

APPROACH & METHODOLOGY



ESTIMATED LOYALTY PROGRAM EFFECTIVENESS BASED ON MULTIPLE METRICS

01

Visit Frequency

The average time gap between any two visits of loyal customers is compared with other customers to understand if visit frequency is significantly different

02

Customer Behavior

Evaluated the frequency of purchase before and after the loyalty registration to understand if high purchase frequency causes loyalty registration or customers tend to have higher frequency after signing up for loyalty program

03

Timing of loyalty registrations

Evaluated the registration details of the customers to identify the appropriate customer and their visit for introducing the loyalty program

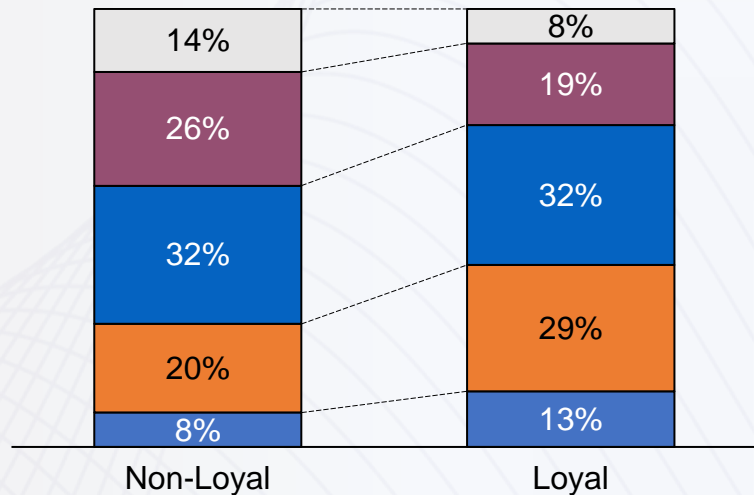
04

Loyalty customer item preferences

Analyzed item purchase behavior across loyal and other customer to understand the items that could be potentially introduced in the loyalty program & improve conversion

FREQUENCY OF THE VISITS WERE COMPARED ACROSS LOYAL AND OTHER CUSTOMERS

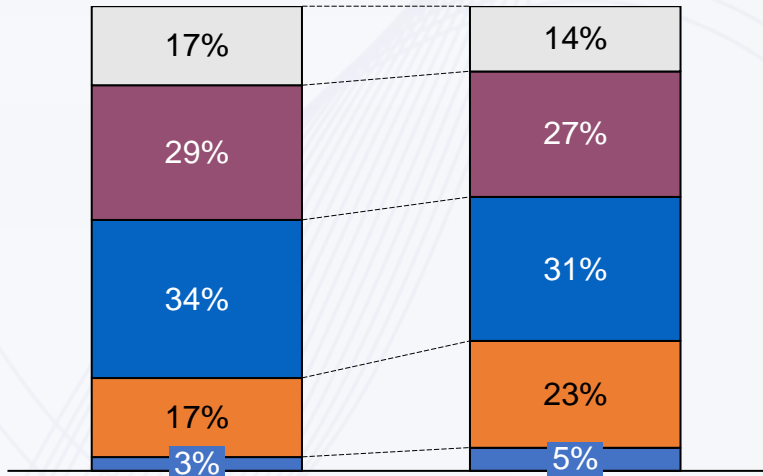
Share of customers by gap between two visits, %



- 181 - 270 days
- 91-180 days
- 31-90 days
- 8-30 days
- 1-7 days

Higher share of loyal customers come back within a month compared to Non-Loyal customers indicating customers registered for loyalty program visit frequently

Share of customers by gap before they registered for Loyalty program



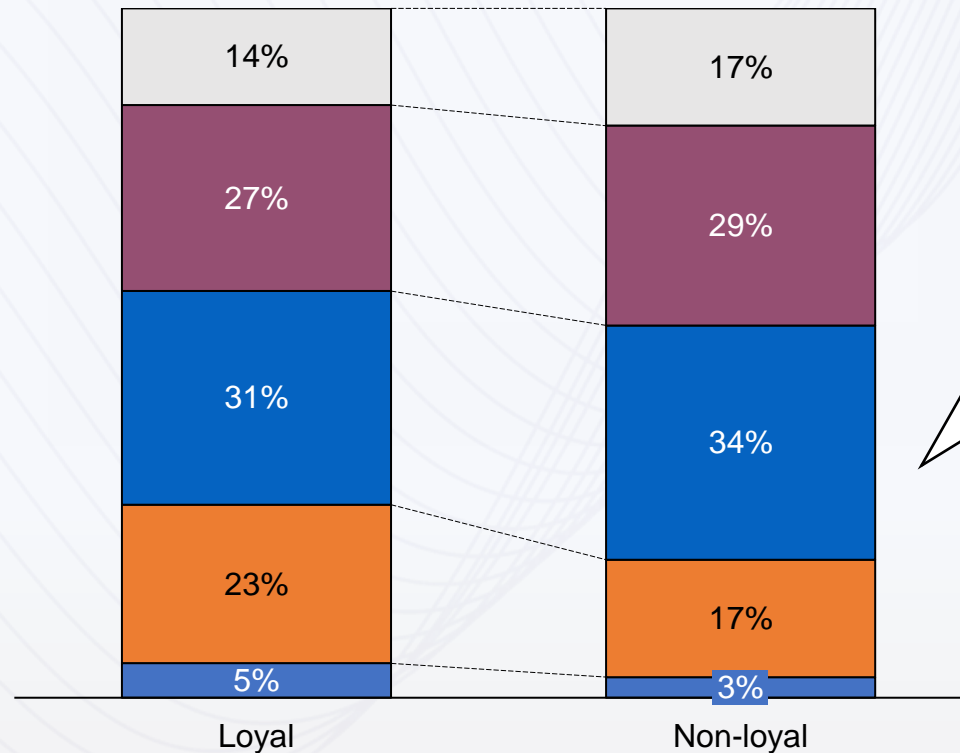
- 1-7 days
- 8-30 days
- 31-90 days
- 91-180 days
- 181-270 days

Customers who eventually registered for loyalty program had higher visit frequency before the registration compared to customers who did not sign up indicating their frequency might have caused the loyalty registration

USERS WHO EVENTUALLY REGISTERED FOR LOYALTY HAD SLIGHTLY HIGHER VISIT FREQ. PREMERILYTICS REGISTRATION, INDICATING FREQ. MIGHT HAVE CAUSED LOYALTY REGISTRATION

Time between customer visits¹ in 2017 for
Non-Loyal and Loyal account users before they registered for Loyalty

1-7 days 8-30 days 31-90 days 91-180 days 181-270 days



User who eventually **registered for loyalty** program, **28% of the customer visits were within a month** of the previous visit, which was higher **compared to 20%** of the customer visits with-in a month for **customers who did not sign up** for loyalty program

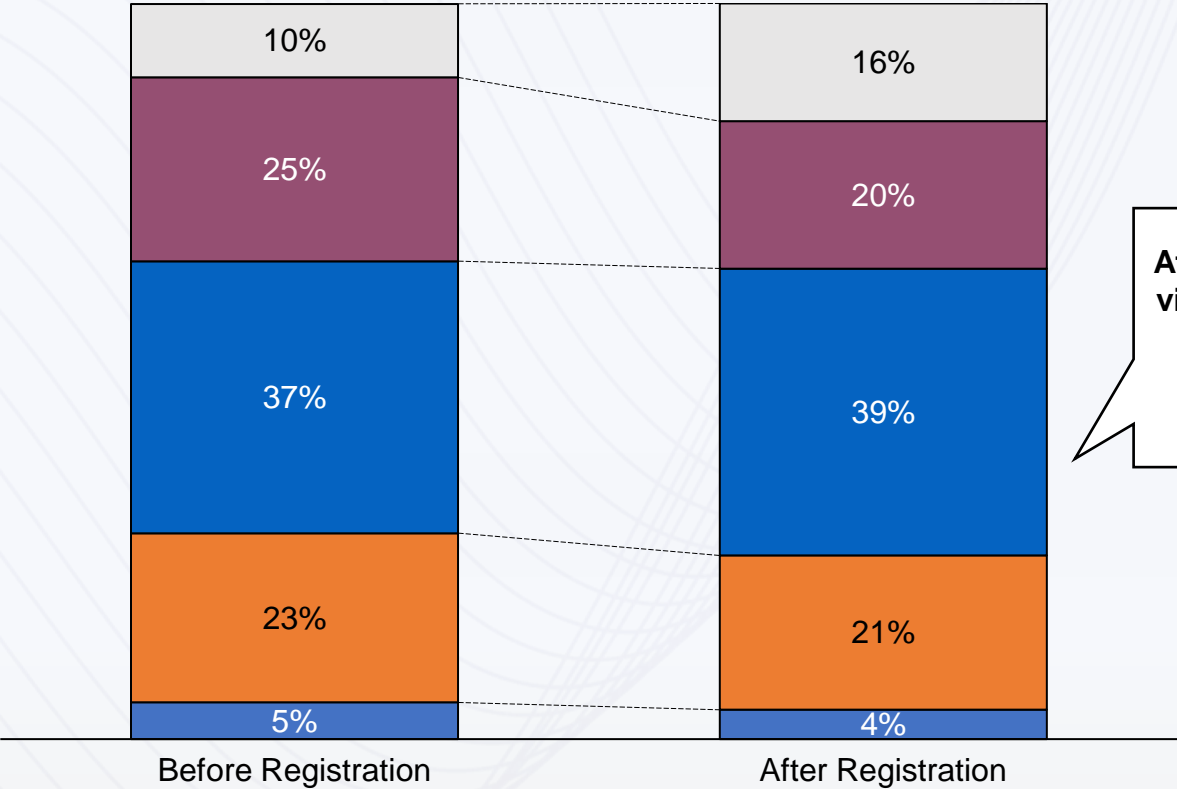
HOWEVER, CUSTOMER FREQUENCY SLIGHTLY REDUCED AFTER LOYALTY PROGRAM REGISTRATION INDICATES LOYALTY PROGRAM DID NOT EFFECT CUSTOMER FREQUENCY

SAME STORES

2017

Time between customer visits before and after¹ Loyalty account registration² in 2017³

1-7 days 8-30 days 31-90 days 91-180 days 181-270 days

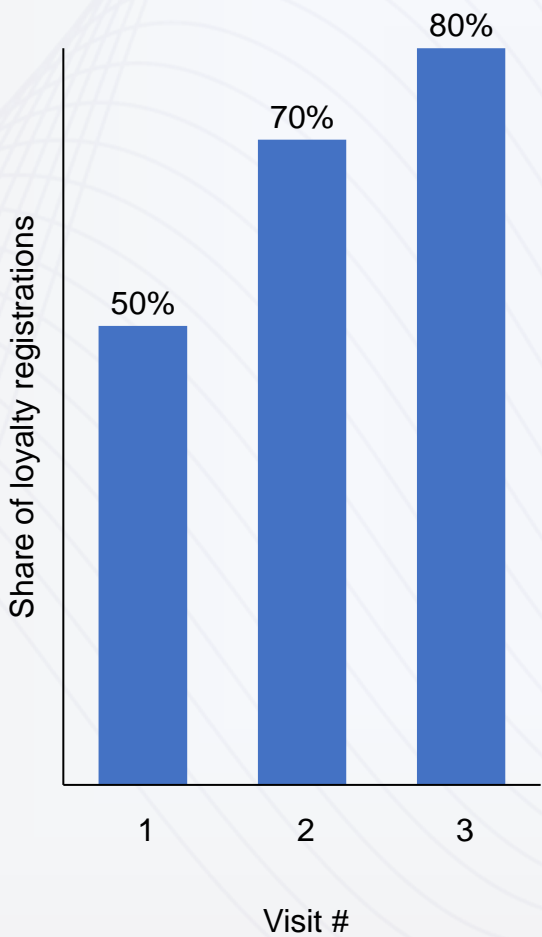


After registering, 25% of the customer visits were with-in a month, which was lower compared to 28% of the customer visits with-in a month before registering

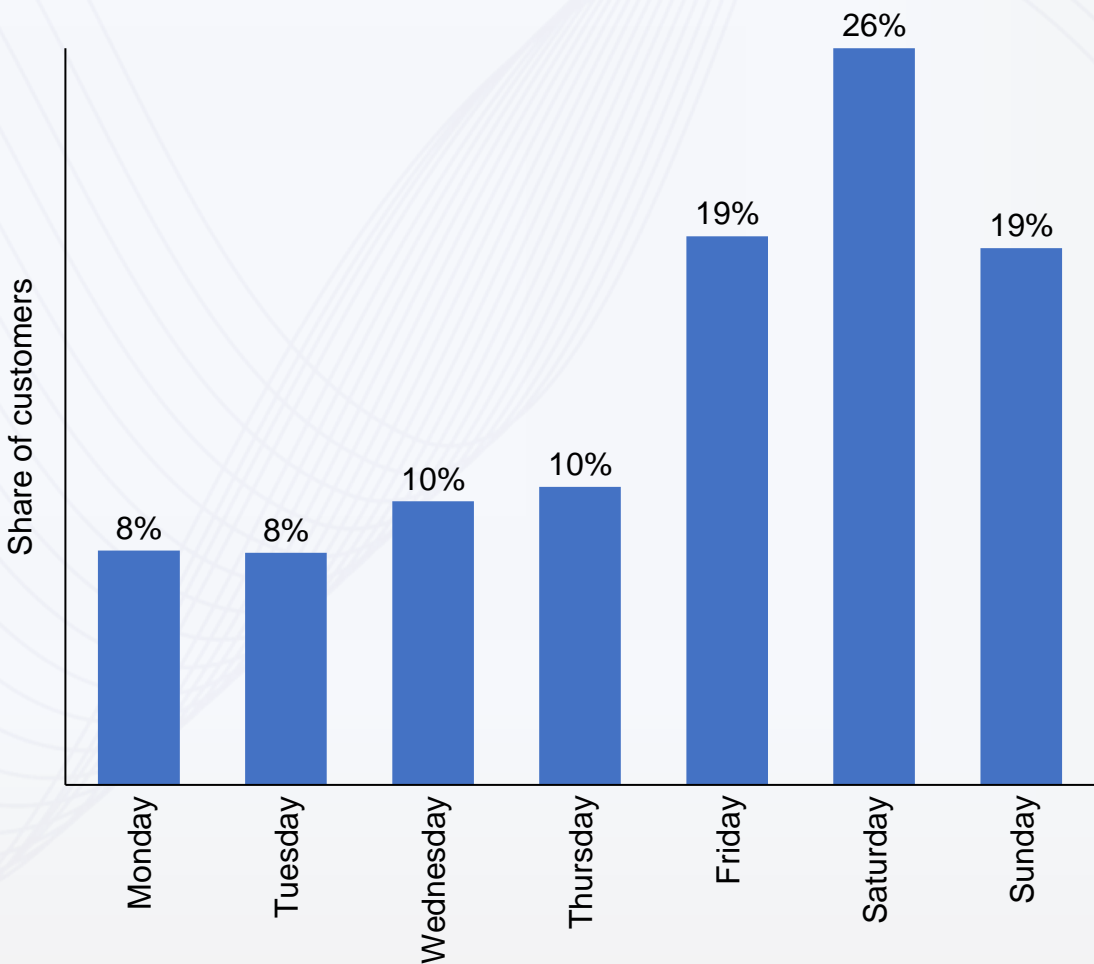
1. The gaps between visits for 2 visits before enrollment and 2 visits after enrollment were considered for this analysis
2. The visit in which customers registered to loyalty program or the first visit after customer registered online were considered as registered visits

80% OF LOYALTY REGISTRATIONS HAPPEN WITHIN THE FIRST 3 VISITS AND THE REGISTRATIONS WERE CONCENTRATED IN THE WEEKEND

Cumulative Loyalty conversion rate by visit #, %

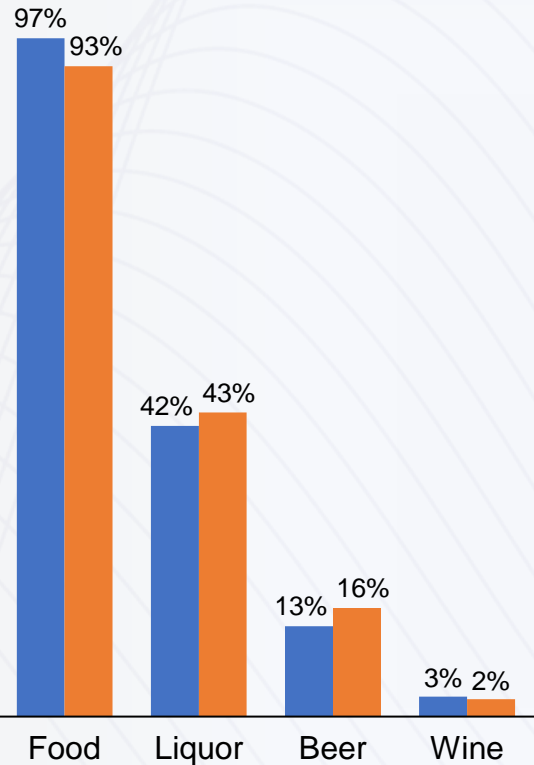


Share of Loyalty registrations across days of week

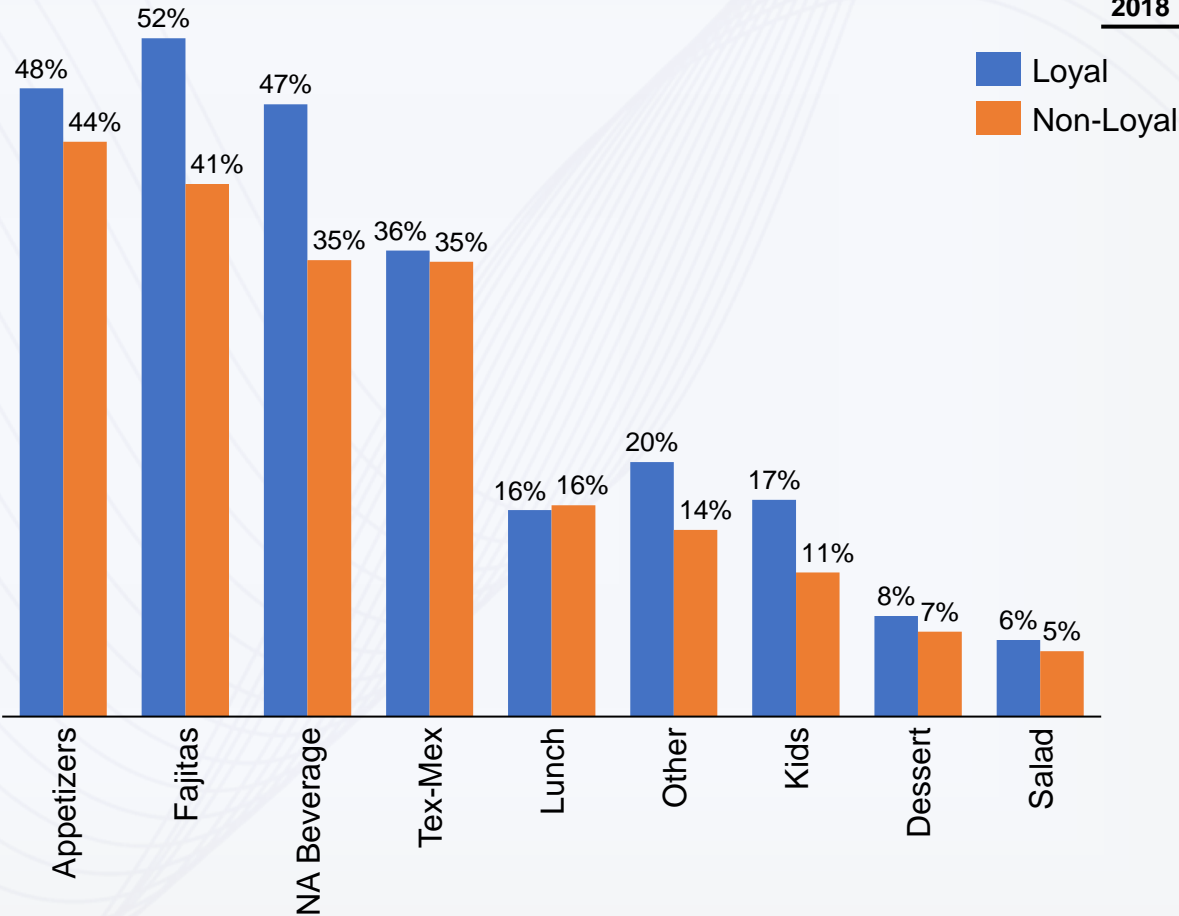


THE ITEM PREFERENCE IN LOYALTY CHECKS AND NON-LOYALTY CHECKS WAS LARGELY DIFFERENT FOR FAJITAS, NON-ALCOHOLIC BEVERAGES & KIDS

Share of checks across item categories



Share of checks across item classes¹ of Food



SAME STORES

2018

Loyal
Non-Loyal

The higher share in Non-Alcoholic drinks and Kids suggest that the **loyalty program** could be primarily **registered by a family** which is supported higher #guests per check as well

¹ Top 9 item classes by share of checks in Food category are considered. Excludes items that were given as complementary.

LEARNINGS - INSIGHTS

- Methodology to estimate the effectiveness of loyalty program.
 - We cannot consider all the customers who have signed up for loyalty program for the analysis.
 - Filter the customers with equal # of visits pre and post registration and estimate the visit gap.