

Euclid helps restaurant chain measure ROI on customer loyalty

A small quick service restaurant chain wanted an in-depth view of their customer loyalty. Having access to detailed metrics for visit frequency and recency was critical for assessing the company's overall health. Being a very tech-savvy company with a convenient online ordering process, they were intrigued to learn about Euclid's innovative approach to measuring guest behavior and decided to deploy the Euclid system across their entire chain.

After collecting data for 3 months, Euclid put together an analysis of customer frequency to gauge loyalty across the chain. The data showed that 84% of restaurant guests were new or first-time customers that did not return in the following 120 days. Furthermore, the average customer visit frequency was only 1.6 times per month, falling below the quick service industry benchmark. This data was surprising to the management team, who had expected to see much higher overall customer loyalty.

When the chain's promotion calendar was lined up alongside their Euclid data, it was clear that their current promotions were very effective at bringing in large numbers of new visitors. The opportunity moving forward was to identify ways to increase the frequency of follow-up visits, for example, getting someone who visited just once in the past 120 days to visit twice, or from twice to three times, and so on. Getting 1% of their existing customers to visit twice a month would generate a chain-wide ROI of more than \$50,000 per month.

Utilizing the new insights provided by Euclid, the company designed new promotions to incentivize repeat visits, particularly by customers living in the neighborhood around each restaurant, such as coupons for future visits provided at the register, and outdoor advertising nearby promoting drink specials.