

# University of Chicago

## Small Business Growth Program

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**Final Progress Report**

2018

# Agenda

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## 1. RBC Business Model

- Loyalty Program to Drive Revenue
- Marketing Strategy

## 2. Building the R(B)C App

- Sample App Functionalities
- Scale Implications

## 3. Summary / Takeaways

# Usertesting.com - Findings

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## Influence of Social Causes on Consumer Behavior

*"I would remain more loyal to a store I already shopped at if they supported social causes. However, I would not start shopping at a place just because of their support for social causes."*

*"More information about the people/brand/history would be helpful."*

*"Additional reviews (e.g. from Yelp) would be helpful in encouraging consumers to explore new businesses."*

# Ustesting.com - Findings

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## Enhancements for TRBC Website

*“I would love a 1-2-3 “How it works” on the landing page. Show me the steps that I take to use it.”*

*“Discounts and dates - any details of what the offers are is important to me.”*

*“More information on participating stores – where, when, how”*

*“Takes a bit of decoding to understand who is involved. message should be made clear on the first page of the website with examples, images and clear descriptions”*

*“Price is very good, but best if I could see the stores/deals directly on the website.”*

# Types of Loyalty / Rewards Programs

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There are various models of loyalty / rewards programs, for example:

- Points system where you earn points based on dollar spend at the store, redeemable for in store credit (Sephora Beauty Insider)
- Tier system where you earn different levels of status based on your loyalty to the brand (Virgin Atlantic Flying Club)
- Upfront fee system where you pay a fixed rate to enjoy membership benefits (Amazon Prime Membership)
- Value based programs where your purchase provides a social good and alignment around a core belief (Toms shoes)
- **Partnership incentive program where a core loyalty program offers benefits across various vendors (American Express Plenti Program)**
- Game based programs which have a social and win/lose component (Swarm Perks)

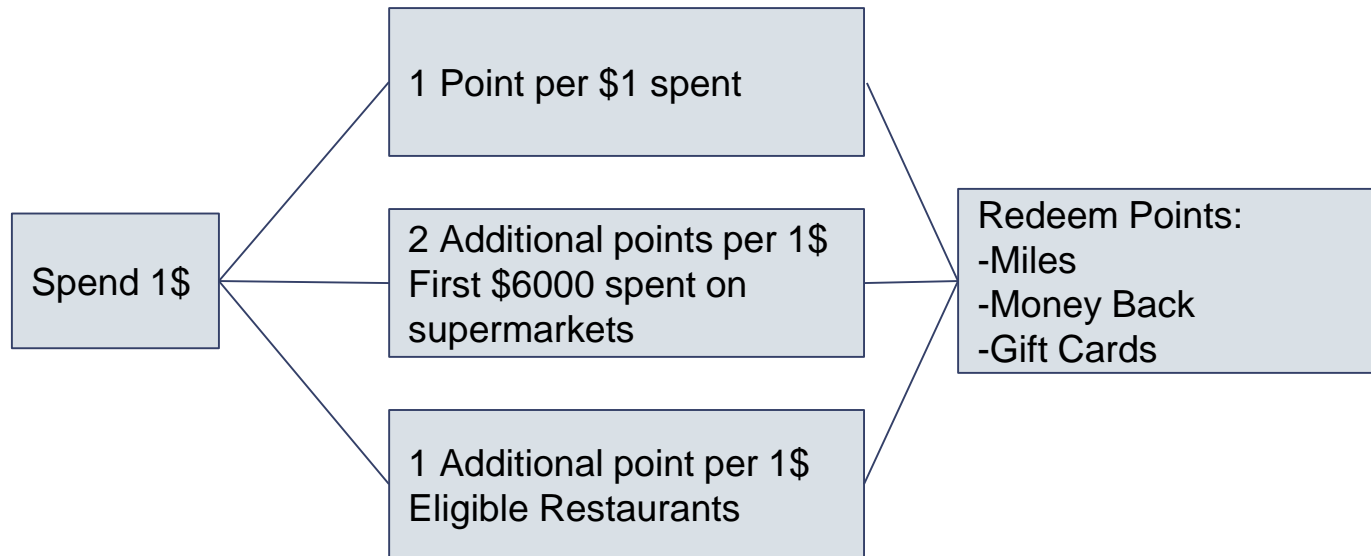
**Real Black Card is most closely aligned with the partnership incentive program, but there is potential to adopt another program structure as we develop.**

# Partnership Incentive Program

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**Partnership incentive program where a core loyalty program offers benefits across various vendors**

**Ex: (American Express Plenti Program)**



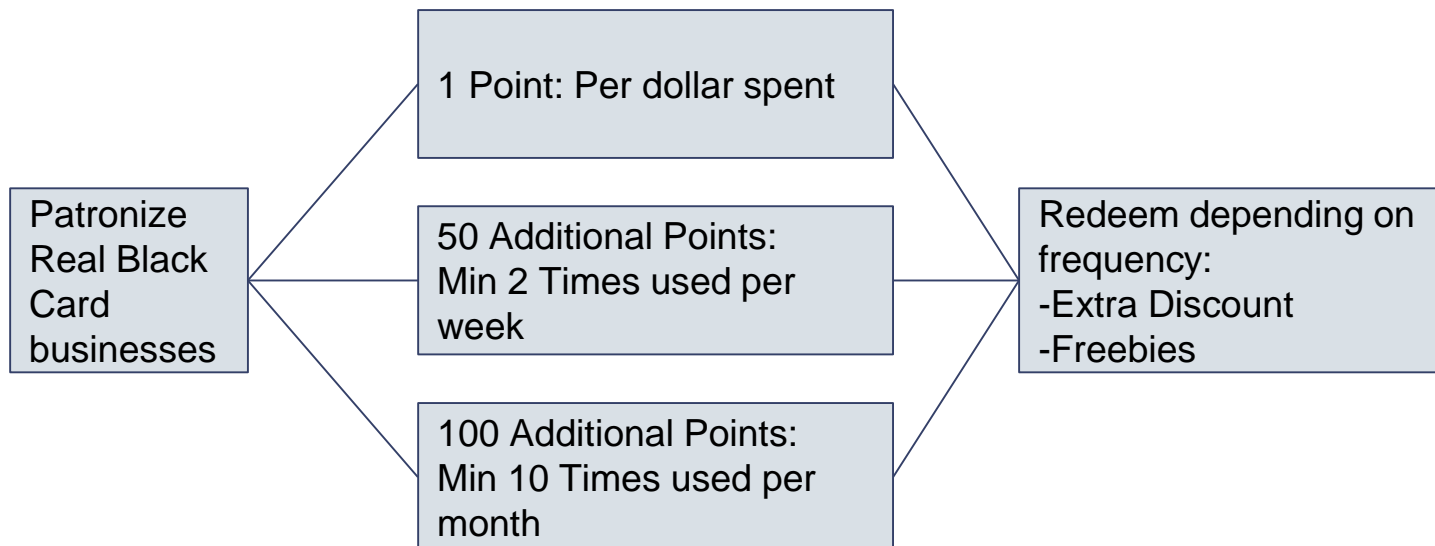
# Partnership Incentive Program

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**Partnership incentive program where a core loyalty program offers benefits across various vendors.**

As we want to increase people that will use the deck, it would be a good idea to reward according the use of coupons.

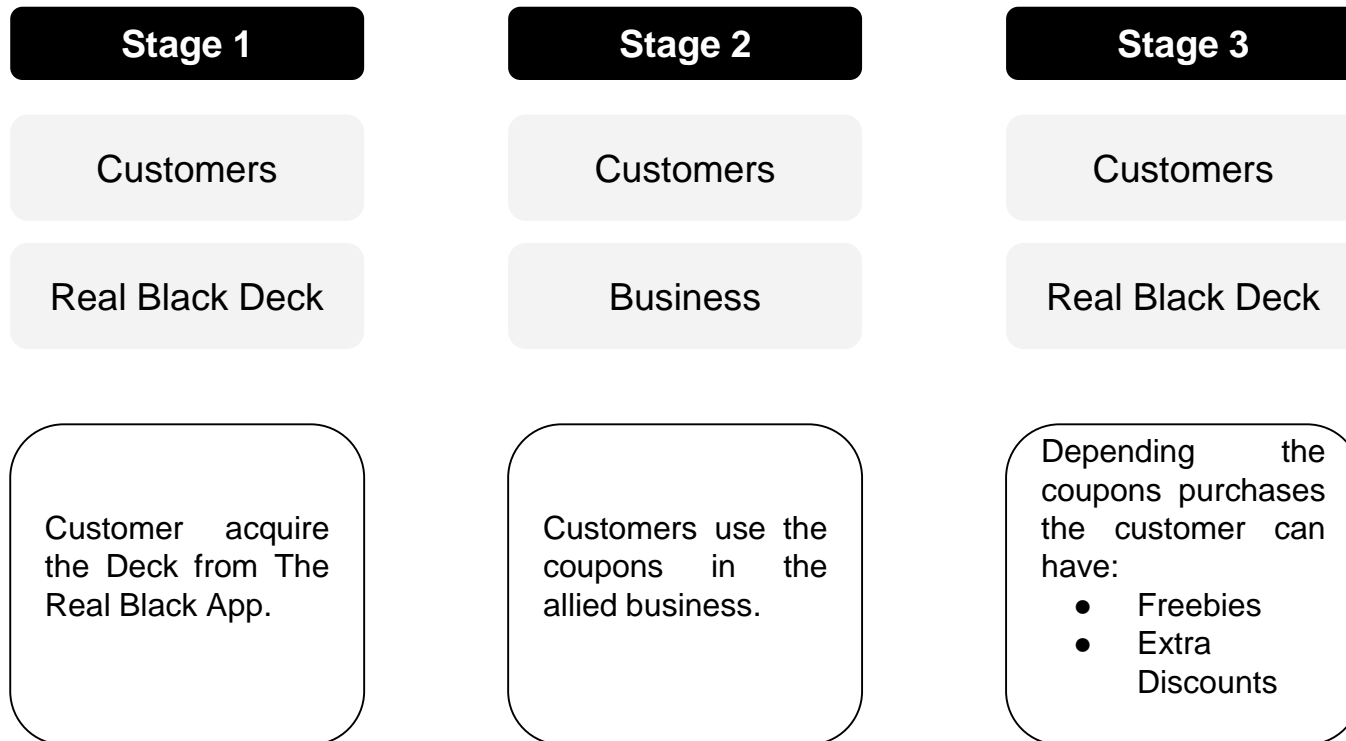
## **The Real Black Card**



# Loyalty Program - Stages

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Partnership incentive program where a core loyalty program offers benefits across various vendors



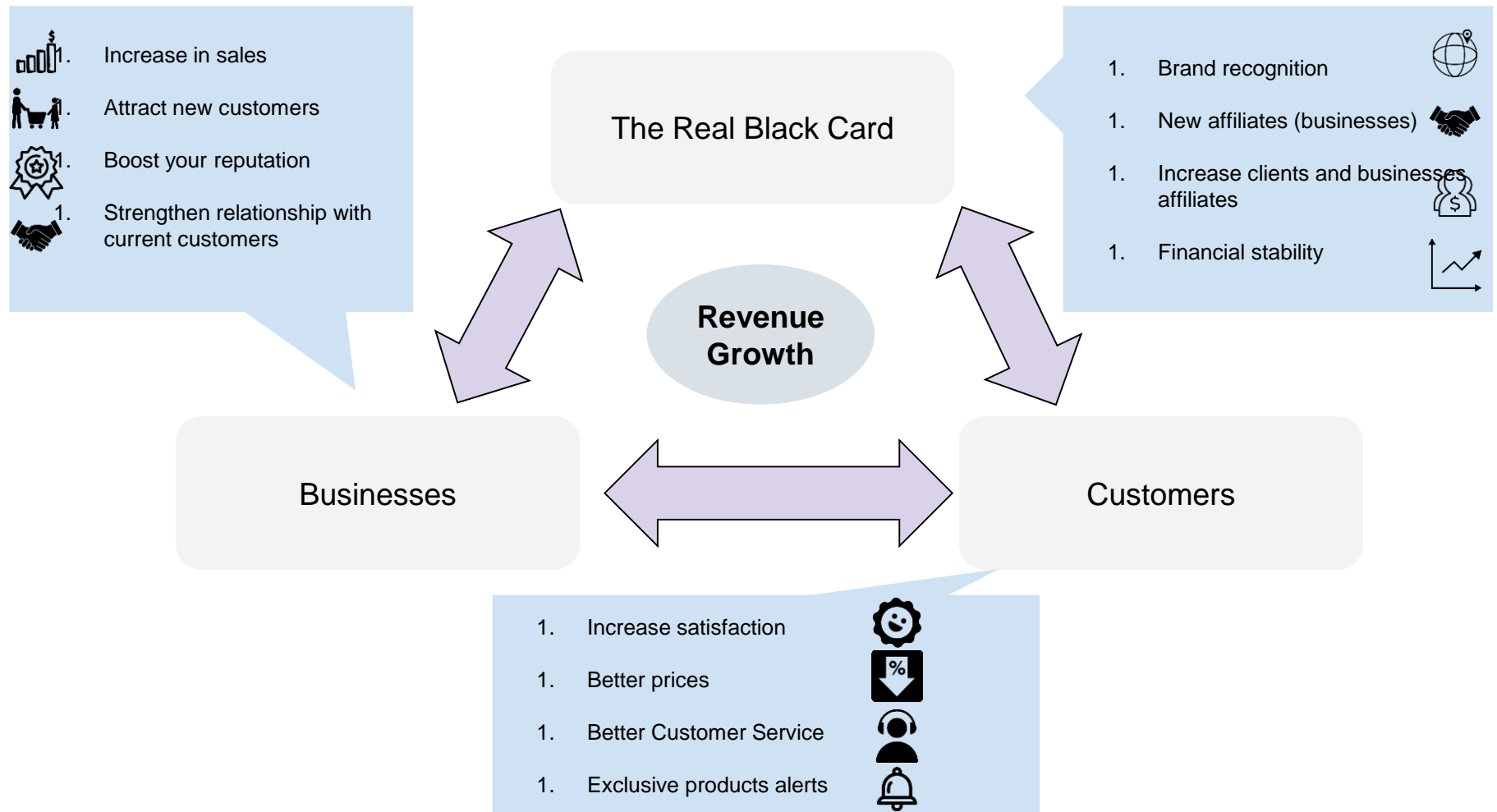
Loyalty programs increase overall revenue by 5-10%  
Loyalty members spend 5-20% than non-members on average  
Loyalty programs members buy 5-20% more frequently than non-members

*Bain & Co.*



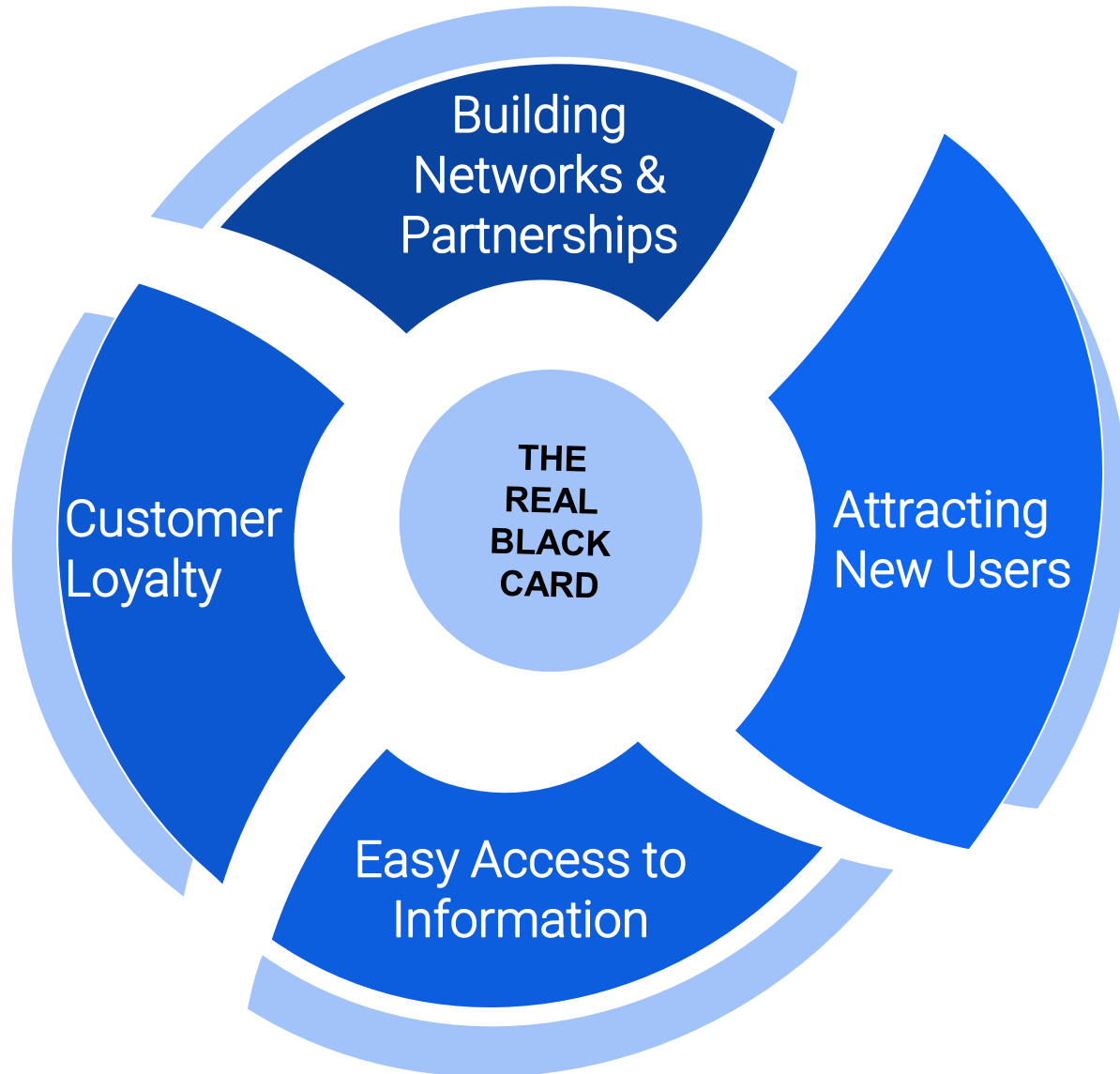
# Loyalty Program - Benefits

**Partnership incentive program where a core loyalty program offers benefits across various vendors.**



# Marketing Strategy

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# Networks & Partnerships

## Market RBC's long standing relationship with the local community

Continue to participate in community events to connect with local small businesses and reach out to local consumers



## BRONZEVILLE SOUTH SIDE CHICAGO

### Small Business Saturday

In the event, Bronzeville businesses came together to encourage the community to Shop Local, Shop Bronzeville.

Organized by QCDC, the South East Chicago Commission and Downtown Hyde Park

[http://www.secc-chicago.org/secc\\_chicago/business\\_district/shoplocal](http://www.secc-chicago.org/secc_chicago/business_district/shoplocal)



# Networks & Partnerships

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**Work with existing affinity networks to sponsor and advertise the program**

1. **Build partnerships with national organizations**
  - **Susan G. Komen organizes local events to spread awareness in the fight against breast cancer**
1. **Design promotions with partnering businesses, during occasions such as Black History Month**

E.g. [CHICAGO BLACK RESTAURANT WEEK](#)



# Onboarding Businesses & Customers

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## **FREE TRIAL**

Offer businesses and customers a short trial period to explore the benefits of the product

*(Managing flow of businesses and customers easier with a tech platform)*

## **EASE OF SIGNING UP**

Make it convenient for businesses and users to sign up and access the discounts/promotions

- Access RBC with mobile app
- Phone Number

## **FREE TRBC MERCHANDISE**

Offer free merchandise (e.g. cup, shirt) after customers complete a specific milestone - Gamification

## **FIRST PURCHASE DISCOUNT**

Advertise a large discount on the first purchase (e.g. promo codes) to encourage users to understand how the deck/app works

# Personalization

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A tech component provides multiple opportunities for offers and discounts to be **personalized** based on a customer's **preferences** and **past purchases**

- Users are able to specify their interests and preferences within the app

## 1. Customization

Promotions & discounts are dynamic (to create a sense of novelty) and based on the users' interests

## 1. Email / App Updates

Users are updated about any new sales or discounts at locations they used to visit



# Easy Access to Information

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## Website

### 1. STEP 1-2-3 of how it works



### 2. Description and Calculations of Possible Savings

Participants from our user research were skeptical of the value provided from utilizing the deck. A rough estimation of savings given an individual's purchasing habits may convince potential customers of signing up.

### 3. Clear information provided for each participating business

- I. Location (in map)
- II. Existing Reviews - to convince customers to explore new businesses
- III. People & History - *Stories about what makes each business unique in their own ways*



All Categories ▾

with

All Amenities ▾

in

All Areas ▾

GO >

Filter View: ▾

All

Items Per Page: ▾

25

Sort By: ▾

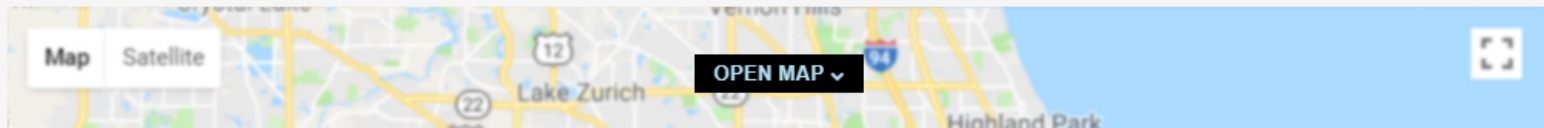
Recommended



1-25 of 525



## FEATURED PARTNERS



## RESULTS *for Restaurants*

PRINT RESULTS >

### 312 Chicago

312 Chicago offers authentic Northern Italian cuisine in a setting that recalls the intimate private dining clubs of 1930s Chicago.... [Read More >](#)

[Website](#) | [Add to Custom Itinerary](#) | [See More Details](#) | [Parking Info](#)

Amenities

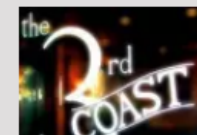
Cuisine: Italian



📍 136 N. LaSalle St.  
Chicago, IL 60602  
(312) 696-2420

### The 3rd Coast Cafe and Wine Bar

Nestled in the heart of the Gold Coast at Dearborn and Goethe this little neighborhood gem is celebrating 32 years in business open... [Read More >](#)





# What Would the RBC App Look Like?

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## **Key Functionalities**

### **Customer View**

- Location based services - see what deals are in the area
- View RBC mission on home screen
- Feature information about individual businesses, their history and the reason they are included in the RBC
- Ability to order online

### **Business View**

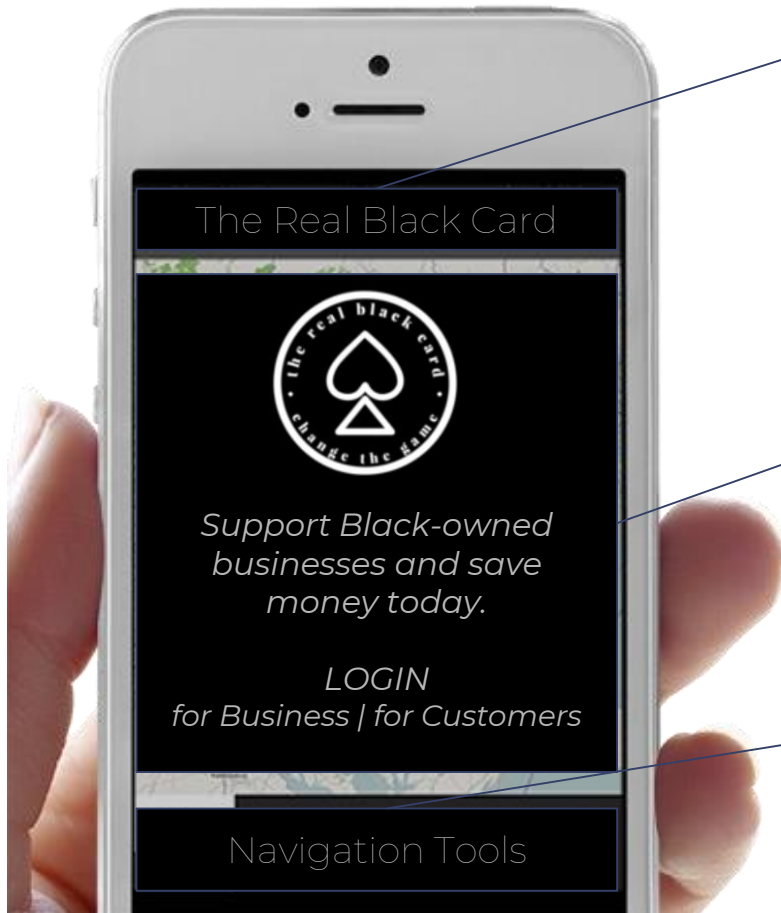
- Include analytics view to see success of marketing program / discount
- View customer throughput from RBC app

## **Design Considerations**

- Color scheme aligned with Real [BLACK] Card, could be pink, other colors to align with mission
- Continue on theme of deck of cards

# Sample Landing Page

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## Application Header

- Ensure consistency across application

## Introduction and Login

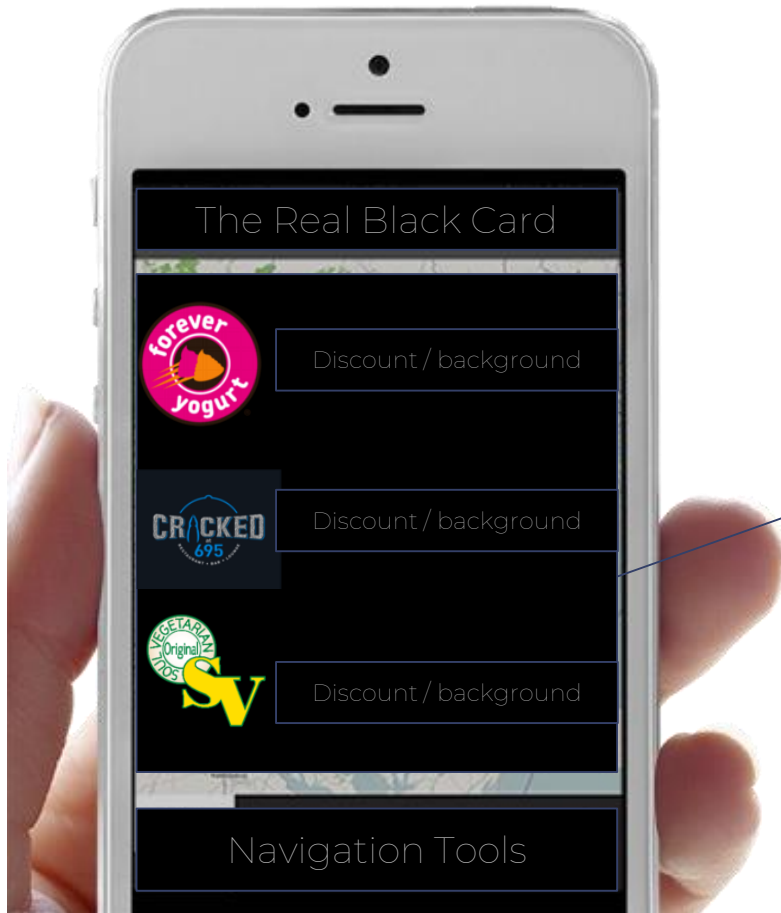
- Login is important to ensure tracking of customer information, opportunities to leverage data for loyalty program, and build email distribution list

## Navigation Tools

- include text search option, map view option, deck view option and list view option to view deals

# Sample List View Page | Customer

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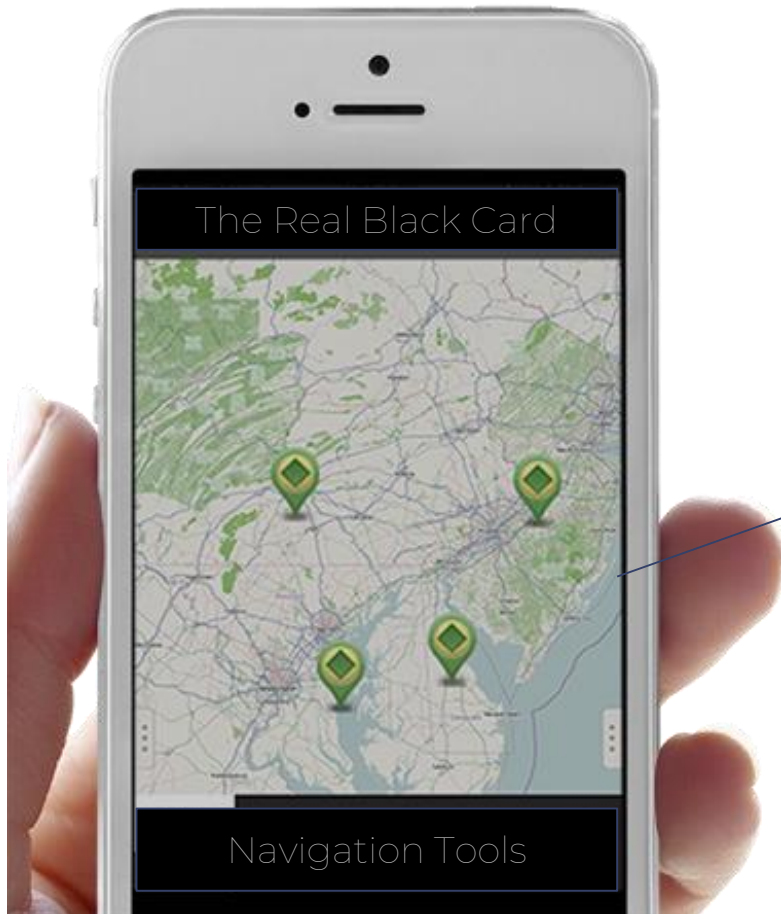


## List View

- Include detailed information about the discount and background of the business

# Sample Map View Page | Customer

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## Map View

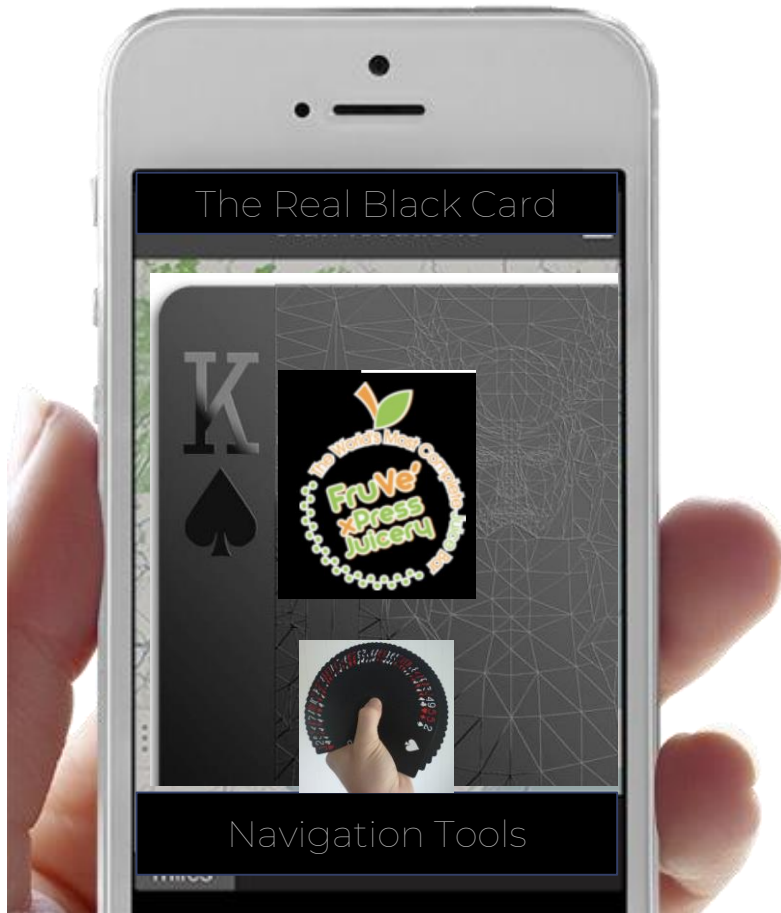
- List businesses based on proximity
- Allow functionality to click on business name / location and see full details
- Allows people to schedule their shopping behavior based on other plans

# Sample Card Deck View | Customer

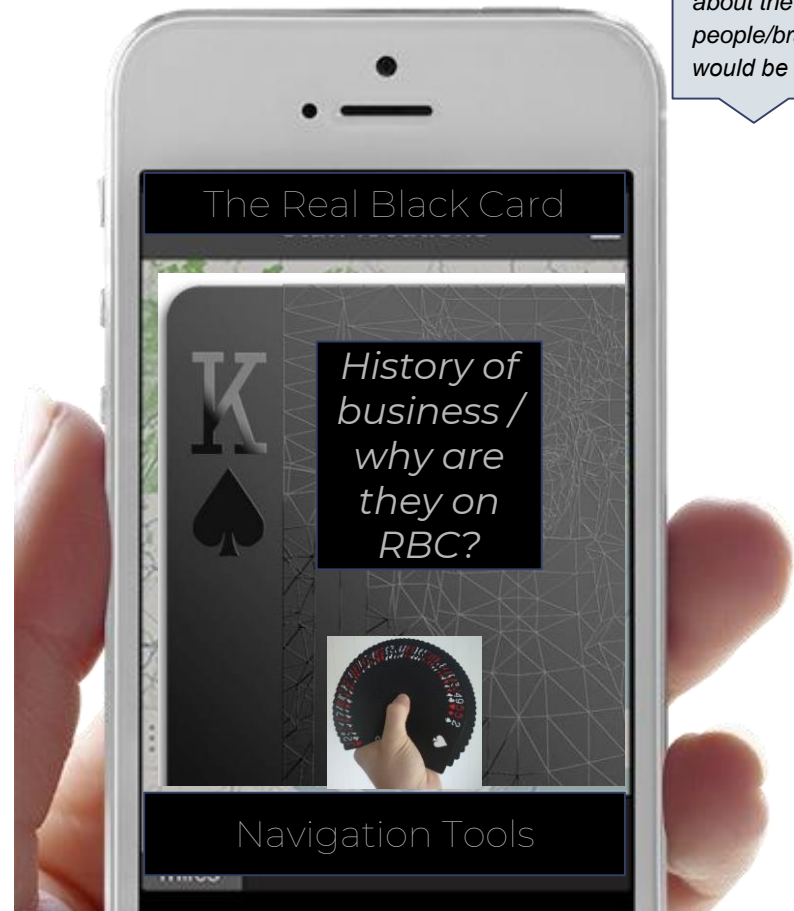
## Card View

- Have ability to flip card back and forth
- Select card from interactive deck of 52

Front View



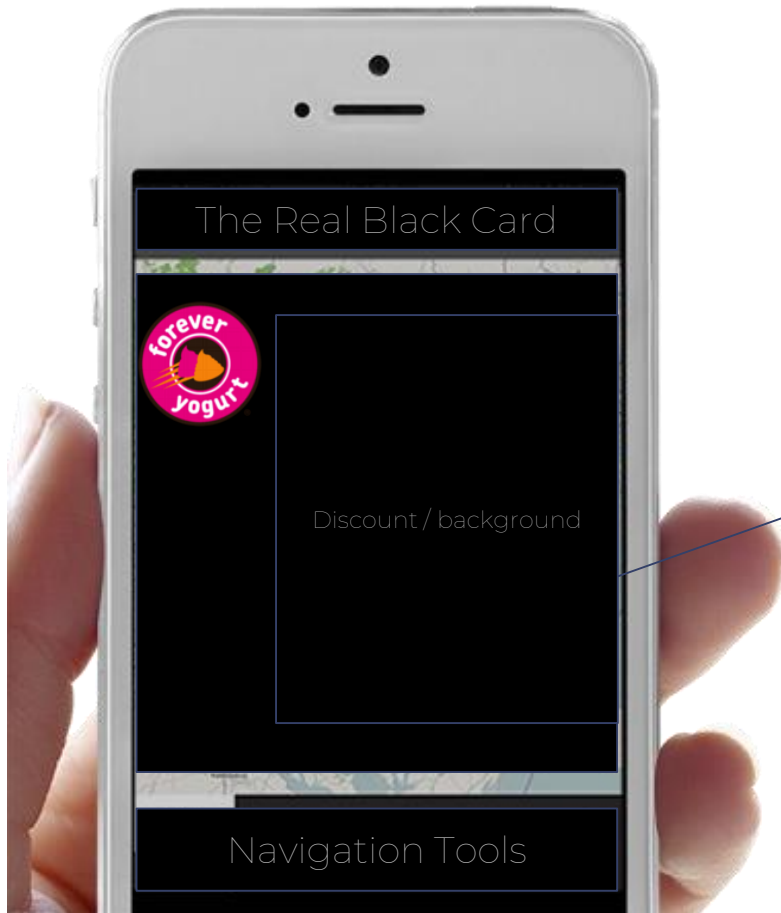
Back View



From usertesting:  
"More information  
about the  
people/brand/history  
would be helpful."

# Sample Analytics Page | Business

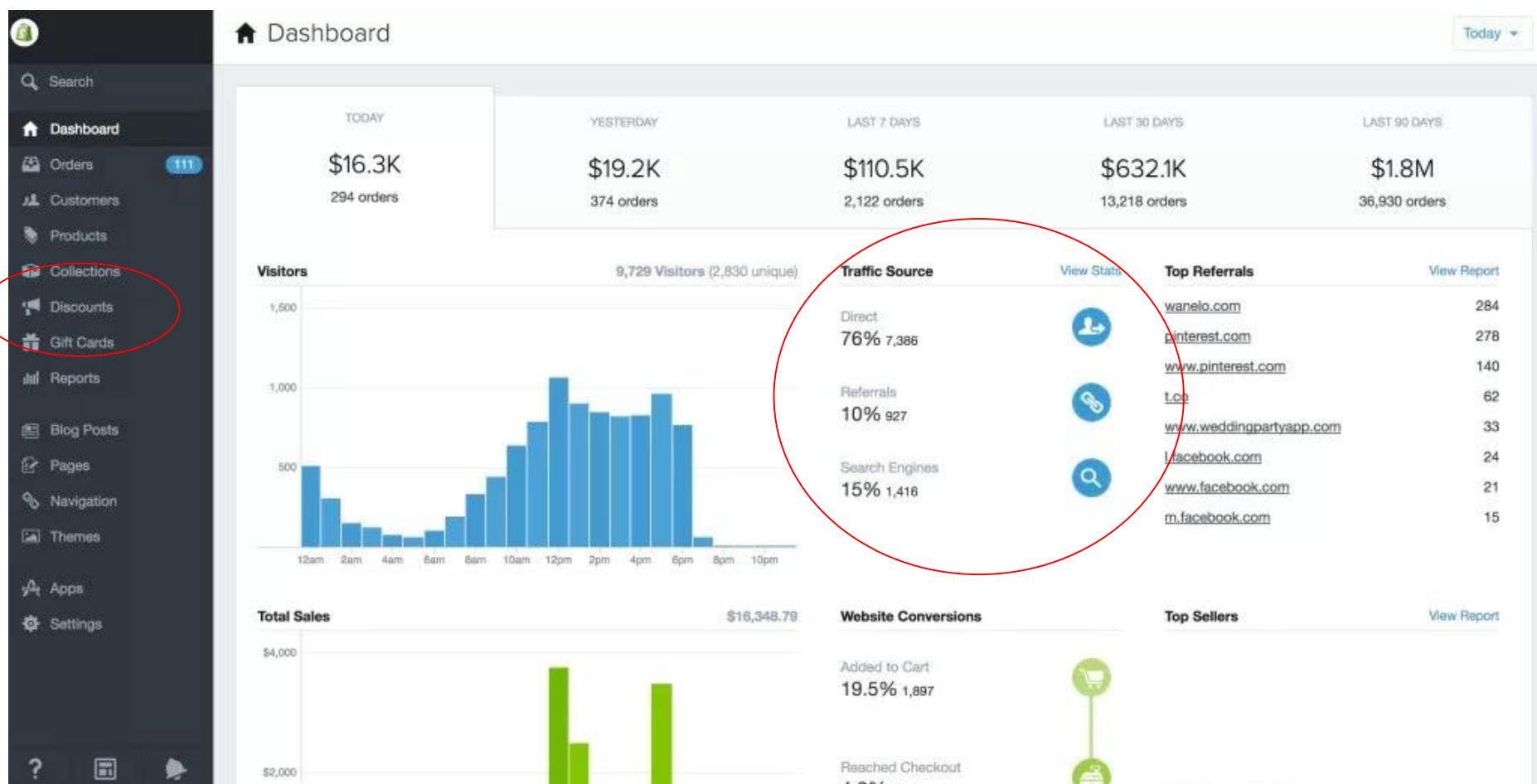
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## List View

- Include detailed information about the discount and background of the business

# Sample Analytics Dashboard | Business



Based on Shopify

# Key Takeaways from our Work

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- RBC is in a prime position to transition to a mobile-based application without sacrificing the initial motifs of a deck of cards centered around an affinity group
  - This will have implications for RBC's cost structure and its ease of scale opportunities
- Moving forward, we recommend pursuing a bifurcated business model:
  - On the customer side, build a loyalty program to encourage repeated use, make it easy for people to explore the businesses featured in the RBC deck through a mobile-based application
    - Ensure all the ways a customer interacts with RBC (website, application, in the local community, at the point of sale) are all aligned around a central commitment to ease of use, clear information and the missions of 1) supporting businesses and 2) providing customer discounts are clear
    - Market the product with strategic partnerships and well-timed promotions
  - On the business side, offer a more robust marketing and analytics product to justify a higher price point
    - A mobile-based product will allow flexibility in terms of invoicing to businesses, inclusion in the deck, and rotating through various businesses at strategic times
    - Investing upfront in a useful marketing analytics tool based in the broader RBC application would be worthwhile as you could charge a higher price for inclusion
- RBC has an incredible scale opportunity because this model is easily replicable across various geographies and affinity groups