

Enabling Profitable Customer Acquisition

Loyalty Improvement Series

PAYTRONIX
systems, inc.

The Challenge

A national casual restaurant aimed to expand its customer base and increase revenues.

The Program

The restaurant's marketing team designed a unique promotion designed to bring in new guests and encourage follow-up visits. The initial offer consisted of a direct mail piece to local residents. The mailer included a card for \$10 off as a way to entice new customers into the restaurants. Then, when the guests redeemed the discount, they would receive an extra bonus: a bounce-back worth \$4 off their next visit.

Paytronix's technology made it possible to execute this complex promotion. Specifically, Paytronix:

1. Incorporated a magnetic strip card into a distinctive single-piece direct mailer.
2. Activated cards with appropriate value and expiration to match the campaign.
3. Setup a system of "Rules and Wallets" to ensure a simple redemption process.
4. Integrated with the restaurant's POS system to dynamically:
 - reflect the discount on guest check,
 - load the first-time visitor's card with the bounce back (\$4 off their next visit), and
 - provide pop-up messages to inform the cashier at each step.
5. Provided reporting capabilities to track the promotion results.

The Results and Financial Return

After a well-performing pilot, the restaurant group rolled out the promotion in multiple cities and achieved outstanding results. The higher costs of the mailer were more than offset by the strong 11% response rate. The appeal of the magnetic strip card and the bounce back generated thousands of incremental guest visits. In total, the restaurant group **earned a 40% ROI** on this customer acquisition promotion. Plus, the success positioned the restaurant chain for the long-term benefits of an expanded customer base.

In addition, the restaurant group **saved thousands of dollars by ensuring accurate accounting**. They leveraged Paytronix's "comp card" technology which explicitly identifies promotion expenses at the point of service and facilitates appropriate financial accounting. Had they used a standard gift card for the promotion, they would have overstated revenues and tax liabilities -- and squandered much of their financial return.

To learn more about executing effective customer acquisition promotions for your restaurants, contact us.

**Earn a Positive ROI
on Customer Acquisition**



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