



SMART LOYALTY APPLICATION TO AMPLIFY QSR GROWTH

Quick service restaurants (QSRs) have always been ahead of the curve when it comes to embracing new technologies. Now, with aggressive growth forecasts, QSRs that lean more heavily on technology will grab a larger share of the pie. According to a Gartner report, the industry is set to reach more than \$700 billion globally by 2022, indicating a CAGR of 4.2%. From frontline workers needing to grab meals on the go, to the rest of the population yearning for their favorite meal within the confines of their homes, quick service restaurants continue to fuel the appetite. All evidence of behavior changes in the shadow of COVID-19 indicates that QSRs will also need to shift and adapt to meet customer requirements.

For years QSRs have struggled to balance slim profit margins, operational challenges and rising food costs in order to deliver delightful customer experiences at the right price point. Post COVID-19, QSRs continue to be under immense pressure to drive sustained growth and profitability. The increasing number of choices available threaten to erode brand loyalty forcing brands to fight harder for a small share of consumer's wallet. For restaurant businesses, this implies greater scrutiny of brand interactions with customers.

Even before COVID-19 brought about a tsunami of change, customers were willing to favor brands that created an emotional connection. The current pandemic is raising questions around customer loyalty practices and strategies and the truth is becoming stark: a large number of QSRs need to build more authentic relationships with customers.

Building an emotional affinity demands a great degree of hyper personalization achieved through data insights and delivered through contextualized customer experiences. Organizations need to capitalize on new behaviors such as contactless payment and home delivery. Social media enabled home delivery and pick up services are becoming the new norm. These are additional touch points that offer opportunities to collect customer data in between transactions.

A large number of QSR loyalty programs fail to leverage these opportunities. They still operate in the Loyalty 1.0 mindset which is a points-for-reward approach, limiting offers to a discount or an item in exchange for payment. However, customers today want loyalty programs to fit into their new realities and expectations.



Loyalty 2.0 in the face of new realities

Abandon a cookie-cutter approach: Most loyalty programs have cookie-cutter processes. These should be supplemented using actions that target individual customers. For example, when a customer spends \$50, they could be sent an offer that unlocks a higher discount for a new product that is about to be launched or by providing facilities such as free deliveries. The product offered on discount should be from a category that the customer has shown interest in (by analyzing purchase history and social data).

Make customers feel like VIPs: Provide triggers that increase customer visits and high-value orders by making them feel special. For example, the customer could be provided exclusive combos that are bundled with high-value products. These products would otherwise not be available on the regular menu.

Provide intelligence at Point of Sale: Often, it is possible to entice customers to make bigger spends or opt for more products/services at the point of sale. However, this means integrating the loyalty system with POS. The integration allows customer-facing executives to access loyalty information such as balance available to make intelligent suggestions that drive sales.

Build future sales: Every interaction is an opportunity to build on future sales. This means adopting tactics like rewarding customers who promote outlets/products. Non-purchase actions such as promoting outlets/brand can also be converted into loyalty points. These points could be set for redemption within a pre-specified period.

Make it safe, make it secure: Customers are more likely to return when the food is great, but the experience is also quick and easy. This means offering customers the ability to pre-order and pay using a mobile app. The app should also assure customers that their data is not shared and meets regulatory standards such as the General Data Protection Regulation (GDPR) and other privacy regulations mandated by local administrations.

Engage with Customers on Mobile Apps

There is an overwhelming amount of data to substantiate the fact that unlike other loyalty drivers, mobile isn't going to go out of fashion. Ordering food on the go and being rewarded for it is a compelling customer proposition. Food apps that cater to convenience offer value but also act as a bridge between a brand's physical and digital presence. The implication is that QSR brands can meet consumers at their doorstep. Mobile apps have proven to build brand loyalty and boost profits. Digital orders tend to be bigger than in-store purchases and customers tend to return when their app usage rewards them with discounts and offers. QSR brands focused on driving repeat business and loyalty should move towards creating meaningful and memorable mobile moments.



ITC Infotech and SessionM co-develop mobile apps for QSRs

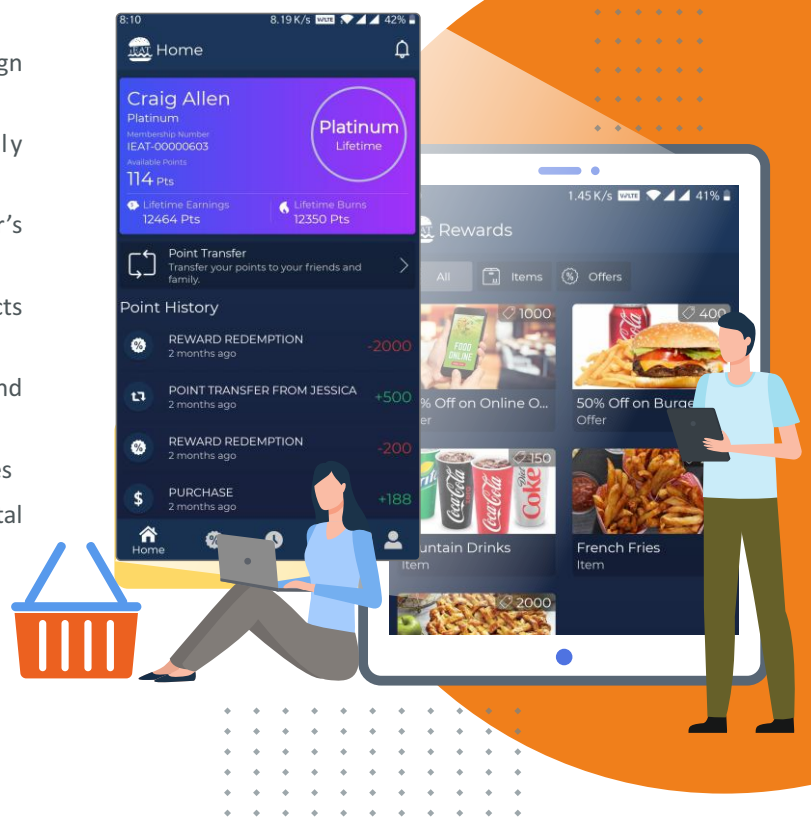
ITC Infotech has co-developed a modern mobile app (Android and iOS) with SessionM loyalty platform for mid-segment QSRs. The app allows QSRs to seamlessly connect with their customers.

The app provides real-time integrations with SessionM and other online food ordering platforms. QSRs can also configure and customize the app interface as part of the onboarding process. From our capability assets, we have extended our cloud-based API Orchestration Framework to support modern and memorable mobile experiences.

The application enables the following features:

- Allows customers to accept or reject offers to design relevant campaigns
- Offers geo location intelligence for timely notifications/push messages
- Provides recommendations based on customer's past transactions
- Enables redemption of rewards on relevant products and services
- Facilitates online ordering of products, tracking and checkout processes
- Sends notifications for new product or service launches
- Offers personalization that can result in incremental sales of up to 5%

ITC Infotech's rapid implementation and deployment approach is powered by our key accelerators such as Data Migration Toolkit, Partner Data Manager and API Framework for data orchestration across customer portals, admin portals and mobile applications. With our experience and accelerators, we can assist QSRs speed up go-to-market and enable cost savings of up to 25%.



For QSRs that want an IT partner who can deliver personalized experiences and improved operational efficiency while ensuring competitive advantage, the journey begins here. Reach out to us at contact.us@itcinfotech.com and let us write your success story.

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Author Profile



Shweta Subbaraman

Lead Consultant, DATA

Shweta Subbaraman is a Lead Consultant with ITC Infotech. She has 3+ years of experience in Marketing Strategy and Operations across various sectors such as CPG and Education. As a part of ITC Infotech's functional consultant pool, she manages project deployments and support engagements for CPG clients.

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