

Loyalty Program Success Starts with Enrollment and Registration

The success of your loyalty program depends on building membership and establishing effective communication. Yet some of the best programs fail because they overlook the importance of encouraging enrollment and driving registration. Paytronix provides a full range of options to ensure that your loyalty program delivers results.

Loyalty Improvement Series

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Loyalty programs can generate strong financial results by engaging guests and creating powerful incentives to encourage more frequent visits and increased spending. Every successful loyalty program starts with a foundation of enrollment and registration. These cornerstone elements fuel growth and propel profitable long-term results.

The first element, enrollment, involves activating new member accounts. Getting loyalty cards into guests' hands can be an early hurdle to program success. The second, equally critical element, registration, is designed to obtain the key information needed to engage members with ongoing messaging – communication that builds a relationship with members, motivates visits, and keeps the loyalty program fresh.

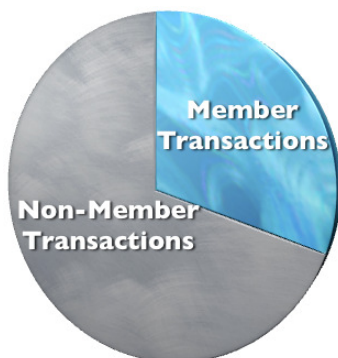
A strategy to continually enroll new guests and acquire key information is essential. Unfortunately, too many restaurants overlook the importance of actively managing these foundational elements, and their loyalty programs languish. A loyalty program will not run itself. Successful organizations commit sustained attention to expanding membership and incorporate effective ways to reach members. They recognize that a dedicated long-term focus on enrollment and registration will generate the expected boost to revenues and profits.

The Critical Impact of Enrollment and Registration on Success

Paytronix knows loyalty program success starts with effective enrollment and registration. The most profitable programs build a critical mass of loyal guests who visit more frequently and spend more than occasional guests. In top-performing programs, members will generate 25-30% of all guest checks.

Reaching this level of success isn't easy. Building membership demands constant attention, particularly when normal turnover rates run at 10-20% each year. You need a multifaceted strategy for sustaining membership growth. That's why Paytronix offers the most complete set of options for encouraging enrollment and capturing registration information.

**In Top-Performing Programs,
Members Will Generate
25-30% of All Guest Checks***



*Programs without a membership fee

Common Causes of Loyalty Program Failures

Great loyalty programs continually invite new members and regularly communicate to encourage visits with motivating promotions. Failed programs often result from enrollment or registration breakdowns.

Enrollment Failure: Low Participation Rates

Without an enticing enrollment strategy, only a small slice of guests (<5%) will participate in the loyalty program. Cashiers struggle to effectively promote and sign up guests, and the management team feels trapped by a non-performing program.

Registration Failure: Stunted Growth, Poor Return

The program launch generates great fanfare, but the excitement quickly fades. Sketchy member information hobbles outreach efforts, and guest enthusiasm slumps. The number of active members stagnates or declines. Expected results never materialize as growth erodes and returns dwindle.

The Best Practices for Driving Enrollment and Registration

Effective enrollment and registration strategies are the lifeblood of a loyalty program. They define how you will create awareness of your loyalty program, engage with guests to build their interest, and enlist new members.

Paytronix gives the restaurant industry unparalleled flexibility to employ enrollment and registration strategies that appeal to the character of your guests and serve the needs of your marketing team. We recognize that maximizing enrollment opportunities and capturing vital registration information may take many different forms and involve multi-channel processing (e.g., in-store, online, paper). Paytronix enables you to design and implement an enrollment and registration plan that will make you successful.

Energizing Membership

Building awareness and excitement about your loyalty program is critical to your success. These tips will help you get out the word, engage your guests, and encourage them to join your loyalty program.

1. Make the Program Meaningful

Provide a reasonable return for reasonable spend. Generally, a perceived value of about 5-10% will trigger guest spending and encourage loyalty. Quickly engage new members and keep the hurdle to the first reward low as a way to build their excitement about the program. A registration reward may help new guests get to their first reward faster.

2. Sharpen Your Pitch

Ensure that the benefits are clear and make it easy to answer the question “why should I join this program?” Enrolling is often an impulse decision, and you have only a brief instant to make an impression. Develop a succinct elevator pitch, use a catchy name, and consider an energizing slogan to reinforce key program benefits in every communication. Make the benefits easy to articulate, simple to understand, and readily remembered.

3. Utilize Proper Signage

Promote the program with well-placed signage designed to inform, excite, and stimulate action. Leverage every guest interaction point to convey a simple, consistent message that encourages guests to join. Use signage appropriate for your concept and capture the attention of your guests. There are many alternatives: signage on entry doors, tabletops, menu inserts, buttons worn by the staff, etc. Choose those that align with your brand and will effectively promote the benefits of joining your loyalty program.

4. Run Server and Cashier Contests

Create excitement at the store level with regular staff contests to see who can enroll the most new members. The most effective contests reward the staff for getting guests to enroll on the spot and to follow through by registering online after they have left the restaurant. The objective is to get guests excited about the program and wanting to become active members. Running contests quarterly or twice a year will keep the contests fun and provide a regular membership boost.

Contests Make Building Membership Enjoyable

Contests offer fun, creative ways to engage your staff in attracting new members.

Store vs. Store Competitions build camaraderie and motivate store pride. Each staff member of the store registering the highest number of new members (adjusted for relative store size) may receive a monetary award (e.g., an American Express gift card) in addition to bragging rights!

Individual Server Rewards recognize the staff that enroll and register the most new members. Prizes might include an iPod for more than 50 registrations and monetary awards for the top staff.

Quota Rewards provide incentive for each server to meet and exceed a personal target. Enticing prizes and monetary awards inspire staff to invite guests to join the program.

Membership Bounties give staff the chance to earn a reward (e.g., 25 cents/registration) for each guest they successfully motivate to join the program.

Note: Measuring and rewarding new registrations promotes better program results than enrollment-only programs that may incent ballot-stuffing behaviors.

5. **Encourage Friend Referral**
Tap a powerful (and often neglected) resource: your existing members! Since, they enjoy coming to your restaurants, turn their enthusiasm into advocacy. Offer them an incentive to invite their friends to join your loyalty program. Their genuine fondness for your restaurants will become a potent influence.
6. **Provide a Takeaway**
Furnishing guests with loyalty program information as they leave your restaurants may encourage online enrollment and registration. For example, presenting a simple brochure to non-member guests with their check can be an effective tool to promote enrollment.
7. **Name a Loyalty Ambassador**
Dedicating a staff member to serve as an in-store ambassador can boost enrollment. Assigning a knowledgeable, exciting personality to speak with guests can be a great way to engage them and encourage their interest in joining your loyalty program.
8. **Register for Your Guests**
Entering the guest registration information offers a way to make it easy for guests to join your loyalty program. This full-service option, popular with higher-end restaurants, removes the enrollment burden and provides an opportunity to indulge your guests. This alternative also creates goodwill with older and less tech-savvy guests.
9. **Allow In-Store Registration by PC**
PC terminals set up on site can generate a surge in registration. Having fast, electronic processing available in the restaurants gives guests an ultra-convenient way to join your loyalty program and start earning their points right away.
10. **Implement Instant Wins**
An exciting promotion, such as an instant wins game, can generate buzz that cascades through the restaurant and sparks interest in your loyalty program. Seeing the next table celebrating an instant win has a contagious effect on other guests. One of our clients sparked a 22% increase in membership with an instant wins promotion.

Registration Methods

There are several ways to register your guests and capture their key contact and demographic information. Each method has inherent advantages and disadvantages. Many organizations will leverage multiple registration methods as a way to attract as many guests as possible.

Your registration strategy should reflect the character of your restaurants. The method(s) you choose should be consistent with your target guest profiles, your brand strategy, and your budget.

Some organizations aim to register as many guests as possible, doing everything they can to make registration easy and readily available. Others favor a more selective approach. For example, they might endeavor to attract a certain guest profile or levy a registration fee as a way to weed out marginal members. Whatever your registration strategy, make sure it aligns with your organizational objectives.

Online Registration is the most prevalent method used by Paytronix's clients today. Guests pick up a card in the restaurants (or at events, as part of a direct mail campaign, etc.) and then are encouraged to register online at a given website. This process enables fast, broad distribution without slowing line speed. Online registration also allows the merchant to validate guest information (e.g., email address). However, this multi-step process might lower registration rates and may alienate less tech-savvy guests.

Rev Up Registration Rates

A regional casual dining restaurant chain wanted to reinvigorate slowing registration rates.

So for four weeks, its restaurants ran a staff contest to encourage enrollment and made laptops available in the store to motivate on-the-spot guest registration.

The results were impressive. Enrollment and registration volume quadrupled compared to the same period a year earlier. More important, the influx of new members gave the marketing team an opportunity to build long-term loyalty with thousands of new guests.

In-Store Kiosks or Registration PCs offer guests a convenient way to join your loyalty program. Very effective at driving membership, a kiosk will not impact line speed and delivers better registration rates than online-only programs. While appealing to guests, the expenses of dedicating floor space and buying and maintaining the equipment can be an obstacle. Plus, questions and/or troubleshooting the machines can interrupt the staff.

Paper Forms remain a powerful registration vehicle. Paper forms make it easy to engage interested guests and ensure 100% registration rates because guests provide information all at once. When tied with in-store signage and staff contests, paper forms can provide a potent way to boost membership. Still, the cost of data entry, the potential for lost and mishandled forms, as well as the delays in printing, distributing, and collecting the paper forms add up to a lot of administrative effort and expense.

Reverse Enrollment programs have become increasingly popular as guests spend progressively more time online. Reverse enrollment moves the entire process online – guests go to your website, register themselves, and receive a virtual membership number via email. They exchange the virtual number for a physical card upon visiting the restaurant. The challenge rests with marketing, as growing membership involves constantly building awareness and driving web traffic. Links to social networks can ignite interest, but encouraging registration may require incentives, particularly for refer-a-friend programs.

What Information Should You Collect on a Registration Form?

Registration forms require a delicate balance. Marketers want as much information as possible, but guests will balk at a lengthy form or one that asks too many personal questions.

So, what do you ask on the registration form? Here are a few tips:

- ❖ **Ask only for information you need and will use.**
Basic contact information is a must (e.g., name, email address, etc.). Limit other information to data that you will actively use to segment and reach your guests (e.g., birthday, city).
- ❖ **Tell guests how you will use the information.**
Inform guests that registration information will enable access to valuable features. Be specific. For example, providing a telephone number will enable account look-up and ensure that guests receive their points even if they forget their loyalty card.
- ❖ **Present your privacy policy.**
Assure guests that their information is safe and will not be sold or used for unauthorized purposes. Be brief and clear. Begin building a relationship with your guests on a foundation of trust.

Enrollment and Registration Are Cornerstones of Success

A well-run loyalty program with steady membership growth stimulates attractive financial returns. Paytronix offers several convenient tools to boost enrollment processes and multiple registration methods to ensure that your loyalty program delivers solid financial results.

To learn more about implementing enrollment and registration strategies to drive your loyalty program success, contact us.

Read more Loyalty Improvement Series articles on our website: www.paytronix.com

Loyalty Promotions
Comp Cards
Product On a Card
Reward Yourself
Shifting from Mass Media
Choosing the Right Loyalty Program Campaign Tool
Enrollment and Registration
Free or Fee-Based Membership
Building Your Loyalty Program ROI

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