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Data-Driven Mobile Promotions & Gifting

7 Chain and Franchise Marketing Trends:
Your Success Kit for the Mobile Era

The modern world is a digital one...

Or is it?

Despite the common misconception that "everything is digital now," **90% of sales are still retail**. This is because brick-and-mortar businesses have a huge advantage over e-business: face-to-face opportunities with customers.

Yes, I can already hear you saying, *But online has advantages, too*. It's true. Retail has thin margins, staff turnover, minimal IT support, and store managers that wear a lot of hats. Online merchants have almost instant delivery from ecommerce websites and powerful recommendation engines learning from past purchases to capture more dollars. Compounding those challenges, industry leaders like Starbucks® and Subway® are now collecting massive consumer behavior databases to make personalized offers, and consumers are looking for "deals" before they decide where to dine and shop.

You're right -- the modern world is not without its challenges. But each day, new apps and web services unlock new possibilities for multi-location merchants. It's easier (and more important) than ever to play up your unique advantages, leveraging your strengths with technology.

Which is why, in order to attract and retain customers, multi-location merchants need to rethink their marketing strategy. We want to share what we've learned from working with thousands of restaurants, retailers, spas, and other businesses. Our hope is that this guide will help you advance your business and save you from some potentially painful lessons.

First lesson:

The Consumer is Mobile

Everything in this guide starts with the consumer, the person we are trying to reach, to invite into our businesses to spend money -- not once, but with undying loyalty. You can (and should) paint a more specific picture of *your* consumer, but the average American sends 50+ texts/day depending on age, and reads more email on their mobile devices than they do on their

computers and tablets[1]. They are overwhelmed with information (aka "content"), and are looking for ways to simplify their lives.

To ignore these facts is to miss the market.

Keeping this in mind, we want to share 7 trends we see among the market leaders.

1. Customers Rule -- But Market Leaders Make Sure Their Voice is Heard, Too.

While retailers across the country were closing their doors, Wendy's was *slaying* it (to use popular slang) on social media. Their sassy, conversational tone struck a chord with consumers -- and even granted an opportunity to address complaints. For example, when a Twitter user accused them of serving previously-frozen beef, Wendy's fired back:
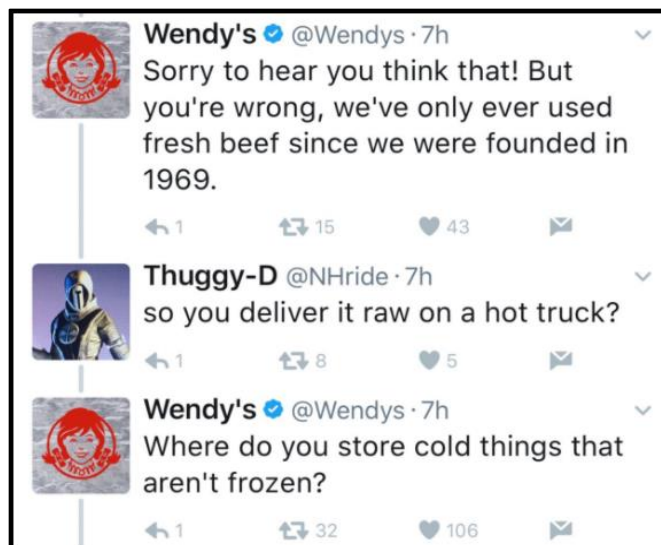
With the advent of social media, customers are very much "in charge" now. They have the power to instantly communicate the good, the bad, and the ugly. Which is why **marketing strategy *must* involve two-way communication.**

Like Wendy's, you must talk *with*, not *at*, your audience. You must *engage*. Customers shouldn't feel like they're talking to a robot -- especially in a "make it right" situation.

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[1] Text Request, "How Many Texts Do People Send Every Day?"

We're absolutely not saying you need to adopt Wendy's tone. Instead, follow the example of leading multi-location merchants: develop guest appreciation and guest recovery strategies, using your unique voice.

Other ideas to consider:

- Thanking guests via social media with an invitation to return.
- Respond to criticism with an instant apology -- ideally, one that suggests a next step. For example, "Sorry to hear that! We want to help Please email us at _____." *Remember:* some of the most loyal customers are the ones whose frown you manage to turn upside-down.
- Converse with customers – on social media, in store, even on traditional media. *Remember:* Conversation is *not* the same as self-promotion. So ask, don't tell.
- Make the customer experience fun. Think games, samples, in-store events and contests. *Remember:* To maximize the impact, many successful brands encourage consumers to share using a hashtag or an @mention.

Don't limit yourself to being reactive, when you could be proactive.

Understandably, every business has a different budget, and every business owner has a limited bandwidth. But we'd be remiss if we didn't share this heartwarming exchange between Kansas State student Hunter Jobbins and Kit Kat.

It all started with a Tweet in which Kit Kat wasn't even tagged or mentioned:

The note reads: *Saw Kit-Kat in your cup holder. I love Kit-Kats so I checked your door and it was unlocked. Did not take anything other than the Kit-Kat. I am sorry and hungry.*

Soon, the post went viral -- and Kit Kat responded by filling Hunter's car with Kit Kat bars! Talk about a PR stunt!

This story received thousands of likes and retweets. The story was picked up by ABC, NBC, USA Today, and countless other local news stations.

2. Market Leaders *Connect* -- By Going Where Their Customers Are.

You can't have a dialog with your customers if you're not connected to them. Leading multi-location merchants establish communication channels, such as an email list and/or SMS opt-in club.

Some business owners are reluctant to text, since that seems too "personal" or "invasive." There are two reasons to get over that sentiment right away.

First, SMS may be your best option. According to mobile research firm MobileSquared, 90% of people read a text message within the first three minutes.[2] Moreover, with all the noise on social media -- and even in our inboxes -- text is one of the surest ways to catch their attention.

Second, **if you believe your messages are annoying or invasive, that means you're not doing it right**. Email and SMS clubs should provide valuable information that customers care about: sales, deals, new collections or menus, location openings, and special events.

Done correctly, these random "surprise and delight" deals drive more loyalty than official loyalty programs, which often begin to feel like an entitlement.

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[2] VentureBeat, Why Businesses Can't Ignore SMS (http://venturebeat.com/2015/03/27/why-businesses-cant-ignore-sms-hint-90-of-people-read-a-text-message-within-the-first-3-minutes/)

3. They Personalize -- Hello, Behavior-Based Email Marketing!

Conventional wisdom, when designing your retail space, is to sell what your customers *need*, but show them what they *want*.

Your marketing strategy should be the same way.

Building an email and/or SMS list is a great start -- but the next step is to grow this list into a customer database. Consumers are overwhelmed with information, and research shows that they easily become paralyzed by too much choice.

Which is why, the more you know about what is relevant to a specific individual or demographic, the more effective your marketing will be.

It need not be complex – knowing that a group of customers responded to a certain offer in the past arms you with valuable information. You can design and promote future offers to drive business. A simple way to start on this trend is called "behavior-based email marketing," where you invite your customers to subscribe to email lists by interest topics, therefore self-selecting into what they want to receive. For example:

Please email me:
- *Deals and offers*
- *Weekly updates*
- *Special events*
- *All of the above!*

If you want to get more advanced, you can send emails and promotions based on other behaviors, such as "Offers Redeemed," "Contact Forms Submitted," "Emails Opened," or even "Website Activity."

Beyond knowing *how* people interact with your business online, you also need to know what important actions they might take, and design campaigns accordingly. For example, you can send targeted content to people who viewed certain pages on your site, or even launch a target-re-engagement campaign for inactive users.

Finally, *connect*. Use the insights you have about your customers to start a conversation.

4. They're Not Boring -- They're *Interactive* and *Engaging!*

Here's a seriously fun fact: according to a study by psychologist Arthur Aron, couples that play together, stay together. They feel closer, experience more positive emotions, and as a result are happier together.[3]

Once again, **your relationship with your customers should be the same way.**

You've identified, through personalization or otherwise, something that your potential customer has interest in. And you're *that* much closer to revenue if you can *engage* with him or her.

Clever marketers may seek to "gamify" their prospective customer's experience – for instance, have them "win" a slice a pizza by playing a game that is distributed… somewhere. Social media, email, SMS, TV, radio, in venue, print -- whatever works best for your business.

Then, the customer must visit the store to redeem their pizza slice -- and probably bring a friend and buy a beer to go with it!

Pizza My Heart and Learfield Sports launched a hugely successful collaboration, powered by Yiftee, that demonstrated the power of "gamification." Using social media displays on the Stanford Stadium scoreboard, fans were prompted to engage with the Pizza My Heart Kickoff Challenge.

Fans who picked the right kickoff result received a $4 or $20 Pizza My Heart eGift Card delivered via SMS. Each fan response generated measurable engagement, and the reward redemption data proved the value of this campaign.

Pizza My Heart's in-venue Kick-Off Challenge, in its third year running, has expanded to new stadiums and sporting events. The promotion generates brand awareness, captures new customers, and reinforces that brand's position as a fun, local favorite.

Part of the reason this is so effective is because, as we discussed in Trend 1, **customers rule**. They are no longer satisfied with receiving ads and having a one-way conversation. They want to be respected and *welcomed* into your business. They want to be a *participant* in your brand.

So invite them in!

This trend, in which consumers interact with something sponsored by the merchant and are ultimately drawn in to make a purchase, is also referred to as Interactive Marketing.

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[3] *Journal of Personality and Social Psychology,* "Couples' shared participation in novel and arousing activities and experienced relationship quality," 2012. (http://psycnet.apa.org/journals/psp/78/2/273/)

5. They Measure -- And Respond! -- And Tie It All Together!

"Half the money I spend on advertising is wasted; the trouble is, I don't know which half."

This quote, attributed to merchant John Wanamaker, is perhaps the most recognized quote in the marketing world. Wanamaker would be shocked to see how far marketing has come since 1922 -- with one click, we can see exactly how each of our campaigns is doing, and even optimize the day and time of our emails.

But Wanamaker might be equally shocked at how few business leaders utilize these capabilities. You don't need an unlimited amount of time or energy -- just specific goals for each marketing program. Leading multi-location merchants measure before, during, and after the campaign, and they *learn*.

"Measuring" can be as straightforward as tracking emails sent, open rates, and click through rates (CTRs). It can be as simple as A/B testing, in which one group of customers receives one email, and another receives a different one, and you compare the results to see which version performed better. If you test an email with a subset of your mailing list before contacting the rest of your subscribers, you can vastly improve your campaign's performance.

Of course, this is not new or unique.

What *is* unique, however, is the trend of tying marketing programs to real business measures -- such as in-store visits, purchases and revenue. This requires a specific type of marketing campaign that allows you to connect the digital marketing program to the purchase. This is one reason deals and offers have increased in popularity over the last few years, and multi-location merchants have become savvier about how to deploy them profitably.

Warning: Don't Get Obsessed With Metrics!

Many business owners and managers fall into the trap of obsessing over their metrics. They pull their hair out wondering why, after so much marketing and outreach and promotion, their website isn't getting more traffic.

While metrics matter, they are not the be all, end all. It's not always about reaching *all* of the people. It's about reaching the *right* people.

6. They Blur the Lines.

Order online, pick up in-store. Call for home delivery. Order gift cards online, then email or text them to friends to redeem in-store. Item unavailable in store, deliver next day to home. And even: order on your mobile, while sitting right there in the cafe.
The lines between online and physical stores are blurred. The trend gives customers 24/7 access to your store -- but only if you let them know. If you are not:

a) marketing your website in your store, and
b) marketing your store on your website

you are missing the boat.

For example, we recently saw wallet-sized cards at the Palo Alto location Rocket Fizz Soda Pop and Candy Shop. One contained an "old school" loyalty card -- buy eight, get one free. The other contained instructions on how to buy and send Rocket Fizz gift cards online:

Many vendors don't even sell paper or plastic gift cards anymore -- it's all in-store, online.

Similarly, we've seen restaurants like Coupa Cafe deploy "iBeacon" technology to allow customers to "skip the line," ordering from their table through an app on their phone. This is an option that is highly attractive to Coupa customers, as many come with laptops and chargers. Once settled in, they are reluctant to pack up all of their gear (or -- Heaven forbid! -- having to ask a stranger to watch their computer for a minute) and go wait in line to order.

While this technology would have flopped at many other restaurants or cafes, Coupa knew its customers well enough to realize that this is one line worth blurring.

7. They Simplify.

With our 7th trend, we come back to basics. In the end, multi-location merchants do not have the control of a Starbucks over all the locations, or the data scientists of an Amazon® to tweak a program and optimize in real time.

The most successful programs for multi-location merchants are the simple ones that store managers can roll out quickly and easily, on their own, cost effectively, with predictable results.

That is why **we see tried-and-true email lists, SMS clubs, and traditional media *layered with* new digital promotions** that gather data and measure results, one step at a time. This final trend is a pragmatic one. Progress is made a step a time, and there are many simple ways to hop onto these trends without disrupting your successful business, yet still leveraging the new mobile marketing trends.

We hope these insights will help you lead your business into a happy, healthy New Year! Now here's a checklist so you can get to work!

Checklist: Is Your Multi-Location Business Ready for the Mobile Era?

1. Develop conversational guest appreciation and guest recovery strategies. Talk with, not at, your customers -- and don't be afraid to be proactive!

2. Text! Random and surprise deals can delight your customers much more than a standard loyalty program. If you're afraid your messages are "annoying," rethink what you're offering, and to whom.

3. Make your marketing less "noisy" and more valuable with **behavior-based marketing**. Beyond asking for their preferences, examine how your customers interact with your online channels, and consider what actions they might take next.

4. Make your customers participants in your brand through interactive, engaging promotions. Gamify the experience by distributing the promotion offsite, encouraging customers to "play" with you online, and then redeeming their awards in-store.

5. Set goals for each marketing campaign, and measure performance before, during, and after. Measure data (e.g., tracking email opens, A/B testing) -- and tie it to real business measures (e.g., in-store visits, purchases and revenue).

6. Blur the lines between online and physical stores. Think about the experience you want your customers to have, and what technology can help you give that.

7. Simplify. The most successful marketing programs for multi-location merchants are those that store managers can roll out quickly, cheaply, and easily. Be open to progress, but don't give up on the tried-and-true methods of the past.

About Yiftee

Yiftee is a Data-Driven Mobile Promotions & Gifting company serving multi-location restaurants, retailers and other partners. Yiftee helps its clients increase revenue by acquiring new customers and driving frequency. In addition to selling custom-branded eGift cards for clients' websites and Facebook pages, merchants can use Yiftee for BOGO, SMS, email and Twitter campaigns, and Birthday Club promotions, as well as incorporate Yiftee into their Loyalty rewards and customer recovery programs. Yiftee delivers greater value and better results than physical gift cards or coupons with promotions that typically bring 20% – 85% of promotion recipients in store. Yiftee requires no technology or POS integration, protects clients from fraudulent transactions, and can be up and running in no time. To learn why more than 58,000 businesses use Yiftee, please visit yiftee.com Twitter: @Yiftee, Facebook: facebook.com/yiftee/ or contact 650-533-0938 or info@yiftee.com.