



THE CHALLENGE

A national casual-dine chain asked:

- What is the impact of our current couponing strategy and how do we reduce our discounting without negatively impacting visits and revenue?

SOLUTION

Guest Analytics was leveraged to evaluate coupon use among guests and to look for opportunities to increase their effectiveness. Guests were broken into 3 groups:

- High-use couponers – those who used a coupon with each visit
- Mixed-use couponers – those who visited with and without using a coupon
- Non-couponers – those who never used a coupon

	High Use Couponers	Mixed Use Couponers	Non-Couponers
Key Insights	Slightly higher avg. party size than the other groups.	Most valuable segment - 6% higher net sales/member.	Highest avg. net check
Members	11,709 (14.31%)	3,529 (4.33%)	66,610 (81.38%)
Avg. Frequency	4.5	5.4	4.9
Avg. Net Sales	\$150	\$179	\$169
Avg. Check	\$34	\$35	\$36
Avg. Party Size	2.35	2.31	2.31
Net Value	\$1,756,350	\$631,691	\$11,257,090
Amt. Redeemed	\$444K	\$73K	N/A

The client tested different coupon strategies in each segment including:

- High-use – Lower coupon values (\$ and %) and increased purchase requirements
- Mixed-use – Increased number of value-add messages along with lower coupon values when coupons were presented
- Non-use – Coupon messages replaced with other value-add messages (take out, date night, other events)

RESULTS

Lowering the discount to heavy-use couponers resulted in an annual savings of \$506,000 and specific targeting for the mixed and non-use segments drove \$585,000 in incremental annual revenue.

MOVING FORWARD

Data-driven insights for each segment continue to define the restaurant's coupon strategy. They use targeted messages to drive visits and sales in each segment and monitor the effectiveness of the campaigns with a number of tools in Fishbowl's platform.

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