

Today's blog will be aimed at marketing and developing customer loyalty: a new direction from my usual restaurant insurance and restaurant risk assessment type of blog. With the huge number of discount deals for anonymous buyers out there, I think we are about to see a sea change in social and digital marketing for restaurants and I thought it might be helpful to discuss these trending changes and how they might affect the smaller, one or two location restaurant in the future.

If you think of attracting and engaging your customers as the journey, then the ultimate destination is customer loyalty. It's not so hard to get new customers to show up and enjoy your restaurant at a discount rate below what is profitable to you, but ultimately your goal is to have them become loyal customers who visit your restaurant and happily pay the full price for this experience. And the best way to develop loyalty over time is through deeper engagement with your clients.

What we will probably see over the next few years is a moving away from daily deals and coupon sites like Groupon and into the true customer retention business. While these daily deals sites do generate a lot of buzz, if this is all that you focus on you will never get to the ultimate goal of customer loyalty and you will probably make less money over time as well.

To generate more customer loyalty, your restaurant should recognize customers at all touch points. A recent poll indicates that 78% of respondents believe that having a great customer experience is what makes them loyal. So you should be focusing on making every touch point with a customer or a prospective customer, a quality customer experience. Go back and study your marketing plan and make sure that every touch point in the process is delivering a high quality experience.

Right now social networking is generating lots of data. But most of the real time data that is being gleaned is pretty unstructured. Marketers are even now struggling to find ways to mine this data in useful ways. It's a pretty good bet that the guys with the most money, read as franchise restaurants, will figure this out first. Watch what they do and learn. Right now very few businesses are finding effective ways to gain intelligence from social data. But you may be able to learn a lot from what you are collecting in your restaurant. Are you using report cards? Do you have a way for feedback, both negative and positive to reach your ears so that you can fashion ways to take advantage of this information? If you are using a loyalty program of some sort, are you reviewing the data and trying to find ways to gain intelligence from this information?

Be prepared for mobile coupons to go mainstream. With this happening, there will be more pressure to participate and this will drive down your return on the average customer. You must find ways to turn their experience from a strictly money saving adventure into an experience that will have them return and pay full price. Over time you may want to offer cost savings to your repeat customers at a price that lets you make money and build loyalty instead of focusing on offering great deals to one time anonymous customers who never return.

Another trend that will take off by the latter half of this decade will be mobile digital wallets. It is estimated that by 2016 most customers will be able to leave their leather wallets at home and pay for everything with their phones. Are you prepared for this change in technology? You should study this now and get ahead of this curve from the start.

Last of all, don't forget the worthy cause approach. 94% of those polled said that they would switch from their brand to a similar one of approximately equal value if it backed a social issue that they believed in. This is an example of finding out and knowing what the majority of your clients care about, then taking action to inform them that you are supporting that cause. Social networking data mining is how you will know what to support and how to tell your customers about it.

At Clinard Insurance Group we work hard to retain our customers. We think our restaurant clients would do well to begin making the switch from customer acquisition to customer loyalty. All the signs point to this being the time to begin to change your marketing mind set. If you should need any help at all with your restaurant insurance, please call our office, toll free, at 877-687-7557. We look forward to serving you and providing you with an unequaled customer experience.