



CUSTOMER PROFILE

NICK'S PIZZA & PUB

A decade ago, Nick Sarillo opened the first Nick's Pizza & Pub in the Chicago suburb of Crystal Lake, IL. Nick's recipe of great-tasting food, friendly service and family environment was an immediate hit with the community. The success of Nick's first location led to the opening of a second Nick's location and plans for even more.

Connection to the community is at the heart of Nick's Pizza & Pub's business philosophy. In 2002, they realized they had to find new ways to connect with their customer base, and the company began investigating electronic gift cards and loyalty programs.

"It's important for our business to let our guests know that we appreciate their choosing to spend time with us," says Matt Calabrese, controller for Nick's Pizza and Pub. "A gift card and customer reward system fit in perfectly with our strategic plan and enhances our ability to connect with our community."

SELECTING AND IMPLEMENTING THE RIGHT SOLUTION

While selecting a technology solution can often be a long, arduous process, Calabrese says that the Aloha eFrequency customer loyalty program and eCard gift card solution immediately emerged as the best choices during their evaluation. The company already used the Aloha TableService point-of-sale software to manage customer operations at its two restaurants. Aloha eFrequency was one of the only loyalty programs that synced with the existing POS and did not require additional hardware.

"The integration with our Aloha POS software was the most important criteria for choosing a gift card and loyalty product," says Calabrese. "Aloha eCard and eFrequency not only integrated perfectly, but also was simple to use and a better value than the other offerings we considered."

Working closely with the Aloha support team, Nick's went through program testing to gain familiarity with the system prior to rollout, which resulted in a trouble-free implementation of the solution in the restaurants. By combining the rollout with an employee training program, Nick's was able to quickly educate their employees on how to market and sign up guests on the program, which set the stage for quick success.



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ON THE HORIZON

The Nick's family knows that repeat business and loyal guests are the lifeblood of their restaurant and that combining their unique dining experience with even more valuable rewards will be important to maintaining strong connections with the community. In the future, Nick's plans to continue direct marketing efforts to thank customers for their repeat patronage and is considering extending the bonus program to include much larger rewards with higher point accumulation. Further down the road, the company hopes to integrate eFrequency and eCard with its website so guests can check point balances, look up bonus plans and add value to gift cards from the convenience of their own PCs.



“As more restaurants implement loyalty programs, people will become more accustomed to the rewards. So, it's important for us to continually expand our program in innovative ways,” concludes Calabrese. “We believe Aloha will give us the capabilities and flexibility to do just that.”

- ▶ Between 2004 and 2005 lunchtime guest count increased eight percent, as compared to three percent annual growth in previous years.
- ▶ 11,000 guests have enrolled in Nick's loyalty program; 300 new guests sign up each month at Nick's Elgin location.
- ▶ Nick's has sold over 1,100 gift cards through the Aloha eCard system at an average value of \$30.



856 Pyott Road
Crystal Lake, IL 60014
(815) 356-5550

990 S. Randall Road
Elgin, IL 60123
(847) 531-5550

CONTINUING TO CONNECT WITH GUESTS AND THE COMMUNITY

Nick's set up the eFrequency system with a points-based bonus plan. Under the plan, guests who are members of the loyalty program earn five points for every dollar they spend. Reaching certain point levels, guests can receive discounts of \$5 or \$15 on their meals. To drive higher midday traffic, Nick's offers double points at lunch, which can end up providing discounts ranging from 10 to 20 percent on the total meal.

Calabrese says that the opportunity to join a loyalty program and earn discounts made an immediate connection with Nick's customers and that the simplicity of signing up guests makes the program of interest to nearly everyone. Nick's currently has 11,000 customers enrolled in the program and is signing up 300 people a month at the Elgin location.

While customers benefit from the discounts, Nick's gains a variety of advantages from the loyalty program as well. First and foremost, Aloha eFrequency supports Nick's mission and purpose as a business – being a strong community restaurant. Offering cash discounts is an ideal way to say thank you and give something back to repeat patrons. Additionally, Nick's used customer data from eFrequency to launch a direct mail campaign that thanked guests for their participation in the program, provided more details about the bonus plan and announced the double-points promotion at lunch. The mailer also served as a coupon for a free appetizer at the guests' next visit.

“Aloha eFrequency has helped us personalize our marketing efforts to a greater extent,” says Calabrese. “Our first direct mail campaigns after implementing eFrequency were very successful, resulting in a 15 percent response rate from our guests.”

The loyalty program is also helping Nick's drive business growth. The company's lunchtime sales have typically grown at an average of three percent annually. However, lunch sales between 2004 and 2005 grew at a healthy eight percent, an increase that Calabrese attributes to the eFrequency program. Additional revenue growth has come from gift card sales, powered by the Aloha eCard system. Nick's has found that the cards make popular presents among the restaurant's guests, and to date, the company has sold 1,100 gift cards at an average value of \$30 each.

Importantly, Calabrese and the management team view the loyalty and gift card program as another way to set the restaurant apart from the competition. Few other restaurants in the area have loyalty programs and none uses them to the extent of Nick's. The attraction of the discounts and the valuable information Nick's is able to gather about each guest helps give the company more marketing muscle.

Distributed By:

Access POS Pty Ltd
95 Pittwater Road,
HUNTERS HILL. NSW 2110

PH: (02) 9817-7791
WEB: www.accesspos.com.au