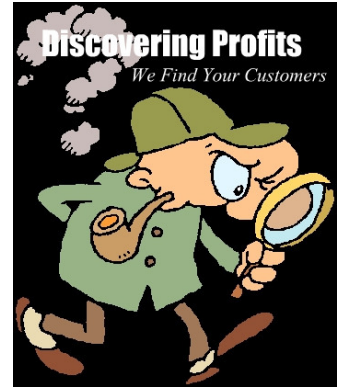


# PIZZA FRANCHISE CUSTOMER EXPERIENCES 32% REDEMPTION RATE USING LOYALTXT™



An SMS text messaging based loyalty program, combined with the use of an interactive touch screen, equipped this Hungry Howie's franchise with a cost effective way to reach loyal customers and track their visits.

## PROFILE

Hungry Howie's Pizza Inc., Madison Heights, Mich., was founded by Jim Hearn in 1973 when he converted a 1,000 square foot hamburger shop in Taylor, Mich., into a successful carry-out and delivery pizzeria. Steve Jackson, who delivered pizzas for Hearn, became his partner, and in 1982, the pair made a decision to franchise their operation. In January 1983, they awarded their first Hungry Howie's franchise.

Currently, Hungry Howie's operates more than 575 locations in 24 states. The chain has set itself apart from other pizzerias by offering a variety of flavored crust pizzas. The chain also serves calzone style subs.

## CHALLENGE

A Hungry Howie's Pizza & Subs franchise in Clermont, Florida, wanted to implement a loyalty program to not only track customer visits but also reach those loyal customers with special offers anytime.

## SOLUTION

To realize this goal, the franchise implemented Sundrop Systems' loyalTXT™ — an SMS text messaging based loyalty program. This turnkey program can be set up in a matter of minutes and includes complete integration on Windows based POS systems.

Upon initial registration, customers receive a welcome message and request for their email address. Once submitted, customers can be prompted to complete registration online via a link sent to their email inbox.

On subsequent visits, customers receive an alert showing their status in the program.

Businesses offering LoyalTXT™ to their customers can then reach loyal customers immediately via SMS text message or through traditional email and direct mail channels. Implementation of the system went through three phases:

- A Sundrop 17inch Touchcast display was installed on the Hungry Howie's counter in front of the POS system. While customers were waiting for their order to be fulfilled, they were prompted by onscreen advertising to register to earn one free large, one topping pizza by entering their mobile number on the display. Customers who did so were immediately greeted with a text message welcoming them to Hungry Howie's rewards program and asking them to confirm their registration by replying with their email address.

- Hungry Howie's staff in the drive thru prompted customers to join the program during the order process. The staff member entered the customer's mobile number into the LoyalTXT™ system and a text message alert was immediately sent to the customer.
- This last phase incorporated staff to prompt customers who call in their pizza orders.

## RESULTS

After the implementation of phase one, an average of eight new customers per day self registered for the loyalty program without staff prompting or solicitation by entering their mobile number on the Touchcast display.

After phase two, daily new signups tripled with the drive thru process.

In addition, Hungry Howie's first text blast to its loyalty program members was a record breaking success.

During Phase 1 An offer for one large, three topping pizza for \$10 was sent to loyal customers via SMS text message at 4:30 p.m. on a Friday afternoon. The impact:

- By the close of business that evening, POS tracking showed that fully 12 percent of the recipients had already redeemed the offer.
- By the close of business the next evening, about 29 hours later, an additional 13 percent of the recipients had redeemed the offer.
- All told, through the five days the offer was valid, Hungry Howie's enjoyed a 32 percent redemption rate.

With Sundrop's LoyalTXT™ turnkey loyalty program, Hungry Howie's now has a cost - effective way to track customer visits through self-registration and POS entry by staff combined with a real-time advertising platform that allows them to reach their loyal customers to elicit immediate response. With automated reward fulfillment options available via email and direct mail to participants, few operational changes had to be made to support the new loyalty program