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AHLAN RAMADAN

MANAGING AN F&B OPERATION DURING THE HOLY MONTH OF RAMADAN



ABOUT THE AUTHOR

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WHY LOYALTY CARDS ARE CRUCIAL FOR QUICK SERVICE RESTAURANTS

Akshay Dosaj, managing partner of Purple Honey Group says that implementing a loyalty card is the first step toward establishing a returning customer base

Creating customer loyalty to a restaurant brand is one of the most important things on the sales and marketing agenda, especially when it comes to quick service or casual dining restaurants. Customers want to know that they are appreciated by the brand. With the right tools you can add a personal touch to your restaurant and help make sure customers return to you and not to your competitors.

The majority of quick service restaurants in the UAE are located in shopping mall food courts, and this means there are multiple quick service options all lined up in a row trying to entice the customer. Although good quality food is the most important element of all restaurants, with QSR the price plays a major role in whether it is successful or not. When choosing where to eat in a food court, customers are looking for good food at a great price and so one way of ensuring the market goes for your brand and not the brand next door, is by launching a loyalty card.

To illustrate my point, if you are walking

down a busy street and see a Costa Coffee and a handful of charming, yet unheard of coffee shops, the chances are you will opt for Costa Coffee because of the brand recognition factor. Add into the equation the stamps you earn for every coffee bought, and you will be left wondering why you would ever buy your morning cup elsewhere.

Although bringing in a stamp-based rewards programme is an effective way of securing customer loyalty, this should only be one part of the marketing effort and should never be used on its own. One challenge with these types of cards is the fact that many people collect one for every place they visit and simply end up with a handful of loyalty cards in their wallet. This takes away the brand essence and may portray an unfair image that your restaurant is targeting the mass market.

For most loyalty programmes you have to make eight or nine purchases before you see a reward, which can be disheartening for the customer and even make them feel cheated. The key is to create a loyalty programme

that really shows your brand's appreciation of each customer and isn't seen as yet another marketing tool to increase profits. By having a reward every three or four purchases, you are showing the customer that you really do value their loyalty and with awards that reflect your brand ethos, you will be able to stay true to your identity.

When planned and researched properly, introducing a loyalty programme to your quick service restaurant is an extremely effective way of retaining customers. A loyalty card should give customers a compelling reason to choose your restaurant by positioning and differentiating your brand in the market. It should be a vehicle through which a brand communicates its uniqueness and delivers strong benefits to its customers.

Instead of viewing a loyalty card as discounted value, you should see it as a tool to create a customer database and a way to encourage people to return to your restaurant. In a competitive F&B market like ours, this can only be a good thing.