



BHG Rewards

BHG Rewards, a customer-focused, point-based loyalty program, achieved national recognition in 2010 within the loyalty and email marketing industries. BHG Rewards is a national finalist with the Colloquy Loyalty Awards (against Delta Sky Miles and Hyatt Hotels and Resorts, the Hyatt Gold Passport / The Big Welcome Back) and will hold that recognition until September 2011. BHG Rewards was also recognized as a Subscriber's Rewards nominee through ExactTarget, an email marketing industry leader, for an outstanding email marketing program that focuses on subscribers by communicating relevant messages based on their behavior and preference.

Email marketing campaigns and loyalty marketing strategy was created and is maintained, in partnership with Bluegrass Hospitality Group, by Lisa Wester, Strategic Development Director, Inbox Orange, LLC, Lexington, KY and St. Louis, MO.

What was the market, company, competitive and / or customer context for the development of BHG Rewards?

The Bluegrass Hospitality Group (BHG) is an independently-owned restaurant group that serves up their signature over-the-top hospitality at five original concepts: Malone's Prime Beef Steakhouse; Sal's Chophouse, both casual and sophisticated; Harry's Bar and Grill, a favorite haunt of the horsy set; Aqua Sushi, the freshest in town; and Drake's, a place where value meets good times. The handsomely appointed Malone's Banquets facility serves groups from 10 to 350 in style. BHG, located in Lexington, KY is owned and operated by Bruce Drake and Brian McCarty.

Seven years of research went into the development of a customer-focused, point-based loyalty program titled BHG Rewards. The operating owners met with restaurant groups from around the country to understand the strengths and weaknesses of their loyalty programs. A concept test was conducted involving a randomly selected group of customers. These individuals proceeded to test the program for a year to eliminate technical and fraudulent issues, answer common questions and establish expectations. Employees at each store location were interviewed 8 months prior to the launch to identify concern, attitude and acceptance of BHG Rewards. We believe we listened to our peers, customers and employees prior to launching the program.

What were your objectives for this initiative? What did you wish to achieve and / or attain?

BHG Rewards launched in October of 2009 for three reasons. The first was to thank and reward loyal customers for their consistent patronage. The second was to drive a customer-focused environment titled "Culture of Excellence." This culture was developed to nurture employees to excel in their profession through education, respect and reward for the effort they extended. The third was to create an unmatched competitive advantage in the Bluegrass Region of Kentucky.

Our Culture of Excellence is an ongoing objective that will evolve and improve over time. As we continue to focus by listening and investing in our customers, employees and processes, we will enhance our culture resulting in the ultimate customer experience. Our goal is to create advocates and be in the forefront of our customers' minds. When they think of dining, it's at a BHG restaurant. Behavioral and purchase data is used to communicate with our customers on a one-to-one basis using email marketing and direct marketing.

Leveraging the Learning

Enhancing the customer experience is an ongoing process. We're listening to our customers, our employees, our peers and the loyalty industry to continuously improve.

A 90-day "Missed You" email campaign is triggered daily. Using integrated technology between Micros (POS), a custom database, ExactTarget and Salesforce, we're able to track a 15% conversion of return to a BHG restaurant within 15 days into the next period. This percentage increases 1 - 3% each period. Recently a 180-day "Missed You" email campaign involving an A/B split test to monitor behavior if an offer for a complimentary appetizer is included.

Each week a customer service survey is triggered through ExactTarget based on card usage within the preceding seven days segmented by concept and location. The results are used in the biweekly employee newsletter "Food For You" and measured against results obtained from a mystery shopper program. Both discover weaknesses or strengths within each restaurant and are used to make decisions to enhance the customer environment. Negative or questionable inquiries are addressed personally by the corporate office.

Relevant email campaigns include a two series welcome campaign. The first thanks the new member for joining and the second tells the history of BHG and invites the new member to update their preferences to enhance our one-to-one relationship. A daily Happy Birthday and Happy Anniversary email campaign sends a complimentary dessert offer. Finally, our periodic email campaigns use dynamic content to present information based on the restaurant preferred.

Measuring Results through Email Engagement

Our dedication to provide relevant content to the subscriber at the right time has proven to be a success. Our lifecycle campaigns are tracking an average of 25% greater open rates and 15% greater click-through rates with less than 1% than general email campaigns. Our general email campaigns that utilize the knowledge we have gained through our customer relationship, tracks an average of 40% greater open and click-through rates over an "email blast." Unsubscribe rates track 50% less.

In summary, the Bluegrass Hospitality Group is a company that acknowledges the customer as an individual and our employees as a vital component in success. We are willing to invest time, money and resources to offer our customers the greatest experience known within the Bluegrass Region and restaurant industry.

About

Headquartered in Lexington, KY with a satellite office in St. Louis, MO, Inbox Orange, LLC is a full-service customer engagement agency specializing in permission-based email marketing and customer relationship management. We are a Reseller Partner for ExactTarget. Jeff Bishop our Partner Relationship Manager with assistance from Travis Turner, Client Relations Representative, have been integral partners with the integration of technology and email marketing strategy for BHG Rewards.

For questions contact Lisa at 859-552-5528 or email at lisa@inboxorange.com.