

Betting on tech investments is never a sure thing — unless you have the data to back it up.

With a seamless and successful customer engagement ecosystem, there's plenty of data to prove it's money well spent.

What may be a cost on your P&L statement today is actually the ROI of tomorrow, and you can't afford to skip over it.

In fact, companies that invest in digital customer engagement report a 70% increase in revenue, on average, and expect their investment to double by 2025.

"Digital transformation" isn't just a buzzword. Digital demands were growing pre-pandemic, and after the world plunged into lockdowns and social distancing, customers' digital expectations skyrocketed — and have stayed sky-high ever since. Retailers that aren't meeting those expectations are getting left behind by consumers who are ready and willing to spend money for the right experience.

# By the Numbers

123% Increase

A dedicated digital customer engagement model can boost revenue by 123%



Repeat customers make up nearly three-quarters of sales at QSRs and 68% at fast-casual establishments



Over a third of US consumers have tried different brands in the past 3 months

Sources: National Restaurant Association, Twilio, McKinsey

Look no further than **Bojangles**, **Chipotle**, **Texas Roadhouse**, **& First Watch** to see how leading the way in digital customer engagement – and doing so through a carefully-crafted ecosystem of best-in-class tools and systems – creates significantly more business success. Each of these organizations had proactive, evolving digital transformation strategies in place long before the pandemic. They have all grown their customer engagement ecosystems over the past several years, and as a result, are on the forefront of digital innovation and loyalty – leading to significant revenue growth.

## Here's where each one stands today:

- Bojangles, a well-known chicken 'n biscuits QSR, partnered with Sparkfly to redefine their customers' digital experience. As a result, they increased customer lifetime value, grew basket size, reduced latency, and **increased digital transactions by 65%.**
- Chipotle's engagement and loyalty have become the gold standard for QSRs, with viral campaigns on Roblox, Twitter, and even alongside K-Pop sensation BTS. As a result, digital sales accounted for 37% of Chipotle's \$9.5 billion in 2023 revenue.
- Texas Roadhouse partnered with Sparkfly to build a 360-degree digital ecosystem, linking online and in-store purchases with its offer management program and introducing a digital wallet for real-time personalized offers. The result? Same-store sales increased 8.5% at company restaurants and 7.2% at domestic franchises in Q3 2024 compared to Q3 2023.
- First Watch went public in 2021 while racking up \$601.2 million in revenue. In 2023, revenue rose to \$891.6 million, doubling system-wide sales to more than \$1 billion since 2019. Engagement and loyalty play a huge role in First Watch's success, as the breakfast, brunch, and lunch favorite saw same-restaurant sales growth of 38.9% relative to 2019.
- A high growth casual pizza restaurant chain had an ambitious business model, with 40 additional locations and a possible IPO planned. The ever-growing chain says its **technology is central to its growth**. That technology powers values-driven engagement, which leads to more sales and a surge in employees. In fact, each of their locations are fully-staffed despite the hiring woes that have plagued the industry.

Read on for deeper insights into their engagement, performance, and ROI.

Sources: VentureBeat, McKinsey, McKinsey



Bojangles, a QSR known for their chicken 'n biscuits, aspired to build for the future, rather than building to catch up. To do that, they needed to learn more about their customer experiences and evaluate their digital strategy to redefine the way guests experience, engage, and buy.

# **Bojangles partnered with Sparkfly to:**

- Build custom digital and engagement experiences to drive incremental and profitable transactions.
- They worked with tech partners like Sparkfly's integrated customer engagement ecosystem to increase order frequency and make ordering their famous chicken convenient with order ahead and curbside pickup.
- By doing so, Bojangles increased customer lifetime value, grew basket size, reduced latency, and created a seamless experience with every interaction across digital and in-restaurant.

#### The Results:

~65%

INCREMENTAL INCREASE IN DIGITAL TRANSACTIONS

#### 2.5X GROWTH

IN CHECK AMOUNT PER
DIGITAL USER COMPARED TO
IN-RESTAURANT DIGITAL
USERS WERE

15%

MORE FREQUENT THAN IN RESTAURANT CONSUMERS



Years before Chipotle became a digital innovation leader, they needed a seamless way to centralize and manage cross-channel offer campaigns while simultaneously rewarding their most loyal customers.

# Chipotle partnered with Sparkfly to:

- Analyze existing tech infrastructure and limitations
- Create foundational opportunities to grow and advance
- Identify and implement top tech to innovate and engage with consumers
- Maintain their core infrastructure and established process
- Evolve and scale their customer engagement strategy
- Expand personalized customer engagement programs without technical limitations
- · Measure results in real-time



| ROI              | GROWTH          | ENGAGEMENT      |
|------------------|-----------------|-----------------|
| \$3.5 BILLION    | 33+ MILLION     | 111 MILLION     |
| IN DIGITAL SALES | LOYALTY MEMBERS | OFFERS REDEEMED |



Texas Roadhouse wanted to transform its guest experience through next-gen offer management. The Louisville-based brand operates more than 611 restaurants systemwide in 49 states and 10 foreign countries, including Texas Roadhouse restaurants, Bubba's 33 restaurants, and Jaggers restaurants.

# **Texas Roadhouse partnered with Sparkfly to:**

- Build a 360-degree digital ecosystem that connects its online and in-store purchases with its offer management program to further modernize the digital guest experience.
- Add a digital offer wallet to the Texas Roadhouse Mobile App to enable the brand to deliver real-time personalized offers in collaboration with their marketing, experience, and service cloud platforms.

- Same-store sales increased 8.5 percent at company restaurants and 7.2 percent at domestic franchises.
- Average weekly sales at company stores were \$149,176, of which \$18,914 stemmed from to-go sales. This time last year, those figures were \$138,668 (\$17,058 to-go).
- Restaurant margin dollars hiked **24.1 percent** to **\$202.1 million** from **\$162.8 million** in the prior year, primarily due to higher sales. Restaurant margin, as a percentage of restaurant and other sales, increased to **16 percent** from **14.6 percent** (also thanks to higher sales).



Five years before First Watch went public, the breakfast, brunch, and lunch favorite wanted to drive engagement through its e-club by personalizing offers across all channels – but didn't want to risk the fraud that can accompany traditional offer codes.

# First Watch partnered with Sparkfly to:

- Provide single-use personalized offers that can be validated in real-time, which eliminates the threat of duplicating codes
- Expand personalization beyond demographic data and, instead, segment campaigns by interest, preference, and behavior
- Launch new, scalable omnichannel campaigns
- Create a preference data repository for each e-club member
- Build targeted trigger campaigns based on advanced preference data



| ROI              | ENGAGEMENT      | GROWTH         |
|------------------|-----------------|----------------|
| \$15+ MILLION IN | LAUNCHED 140+   | 825,000+ OFFER |
| TRACKED REVENUE  | OFFER CAMPAIGNS | REDEMPTIONS    |



"Make it personal," was a core value of a high-growth casual pizza restaurant chain, but their original customer engagement ecosystem didn't allow for personalized campaigns. Not only did they want to change this, they wanted to propel these offers at scale.

# Casual pizza chain partnered with Sparkfly to:

- Design dynamic single-use offer codes for personalization and closed loop attribution
- Distribute personalized offers through digital, print, and other channels
- Launch a digital wallet where customers can store offers from several channels as well as rewards
- Enable loyalty members to gather points via in-store transactions



| ROI                      | ENGAGEMENT             | GROWTH         |
|--------------------------|------------------------|----------------|
| \$1 MILLION IN           | LAUNCHED 160           | 100,000 OFFERS |
| <b>INCREMENTAL SALES</b> | <b>OFFER CAMPAIGNS</b> | REDEEMED       |
| IN 12 MONTHS             |                        |                |

