



# How Donatos Pizza Increased Sales With *a Better Loyalty Program*



When designing its new loyalty program, Donatos Pizza wanted to build a program that would drive more meaningful brand interactions. A large part of the strategy was to create a robust zero-party data collection strategy that would generate more interactive and personalized experiences for each customer.

Within twelve months, their new loyalty program has exceeded their expectations and performance goals.

**23%**

increase in program penetration rate within a year

**31.5%**

of net sales came from 76k rewards members

**98k+**

transactions attributed to on-demand rewards



## *The Challenge*

### **BUILDING THE RIGHT LOYALTY PROGRAM**

Founded in 1963, Donatos is a family-owned pizza franchise with nearly 200 sites across 10 states.

From the very beginning, Donatos wanted to design a loyalty program that would drive frequency and return visits, and increase the overall spending of its loyalty members.

But the first program they launched was overly complicated and relied largely on promotional offers. Any gain in guest frequency was based on discounts, which ate away at profits.

The second iteration focused solely on points for free pizza. But since it took customers almost a year to earn any rewards, the program didn't increase return visits.



## *The Set Up*

The new structure integrates rewards with the entire e-commerce experience and leverages the loyalty program to build a better brand experience across every channel, online and in person. Rewards are available on demand, and members have many more ways to earn points and redeem them.

Featuring four membership tiers ranging from non-member to high-frequency member, customers have the option to save or spend their points and can earn points for more than just purchases. Some of their most popular incentives for earning points are for trying new menu items, participating in social media holidays like National Pizza Day, or completing quizzes and surveys.



## *Collecting Customer Insights and Zero-Party Data*

One of Donatos' main goals when revamping its loyalty program was to better understand its customers and their preferences. Marigold's loyalty platform goes hand-in-hand with its Grow platform, designed to collect zero-party data at scale. Since the data comes directly from the consumer, zero-party data (zpd) is the most reliable and valuable kind of data. It helps marketers deliver more relevant content to each consumer that's designed to drive repeat purchases.

Since launching the initiative, Donatos has been able to combine behavioral data with past orders and check values. Donatos has optimized how much they know about their customers and can foster closer emotional connections that are not rooted in discounts and check size.

**Their customer relationships move from being merely transactional to being personal.**

# *Using Badges to Drive More Meaningful Brand Interactions*

Taking customization one step further, Donatos introduced badges in 2022, which help to recognize and reinforce desired behaviors, such as online ordering, trying new menu items, ordering during less frequented timeframes, and donating to community causes.

The results are impressive. In less than 12 months more than half of all active loyalty members are collecting badges.

## **PERSONALIZED OFFERS**

Donatos leverages data to create location-specific offers or to boost sales at slower locations by offering bonus rewards to active loyalty members in that region. Another strategy is to target medium-frequency members with more incentives versus high-frequency customers who do not need incentives to place orders.



# The Results

## MORE EFFECTIVE CUSTOMER SERVICE AND GUEST RELATIONS

Donatos now works with a consolidated and holistic view of their customers and their purchasing patterns. By using insights to innovate continuously, the team is now focused on zero-party data collection as a core component. This strategy not only helps deliver a better brand experience for its customers but also has a direct impact on overall sales goals for the year.

## REAL-TIME INNOVATION & INSIGHTS

The Marigold dashboard helps their marketing teams test and innovate efficiently. New surveys and rewards can be created and published within minutes with no additional development work from an IT team. It's also easy to automate experiences like rewards, bonus points, and messages, based on user behavior.

## REDUCED RELIANCE ON DISCOUNTS AS AN ACQUISITION TOOL

One of the most impactful parts of their upgraded loyalty program is Donatos' ability to fine-tune their use of purchasing incentives. Not all customers need the same incentives, and machine learning enables Donatos to test when and where select promotions will be most effective. The platform enabled Donatos to:

**135k**

Add 135k new members in one year

**53.6%**

Achieve a 53.6% penetration rate

**19%**

Increase the percentage of members earning and using rewards from 8% to 19%

## Conclusion

The goals of Donatos' rewards program have always been to build customer loyalty, drive frequency, and return visits. With the support from Marigold, Donatos has transformed its loyalty program, gained more actionable data, and continues to experiment with new ways to build retention and brand loyalty.

# Where *relationships* take root.

Marigold's approach to Relationship Marketing stands alone in a world of one-size-fits-all marketing technology companies. Our solutions are designed for your specific size, industry, and maturity, giving you the technology and expertise you need to grow the relationships that grow your business, from customer acquisition to engagement to loyalty. And, with a team of strategists that provide insights into what's working, what's not, and what's changing in your industry, you're able to maximize ROI every step of the way.

Great marketing isn't just about conversion, but true connection. Learn why 40,000 businesses around the world trust Marigold to be the firm foundation they need to help relationships take root.

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