

Building Customer Loyalty

Refining loyalty efforts, social media campaigns and store promotions
to keep customers coming back

by Carlo Calmo, Editor

Chance Stone, owner of Tropical Laundromat in Holly Hill, Fla., has plenty of competitors he's facing in his town, situated just seven miles northeast of Daytona Beach.

"We've got four competitors within a three-mile radius," Stone says. "Two of those competitors are within a mile of us, so it makes it an area that has a lot of competitors in what we do."

Despite facing stiff competition, Stone explains that his laundry business, which he's been operating for four years now, continues to grow. So much so that he's been able to draw in customers from as far as 12 miles outside of his community.

Stone attributes this accomplishment to the strides he's made in establishing his store's loyalty efforts, both online and in his store.

He's not alone. *American Coin-Op* reached out to various operators across the country regarding the steps they've taken, and the strategies they've implemented at their stores to not only attract new customers, but to keep regulars coming back.

'A WIDER NET'

Whether electronic or an old-fashioned punch card, one tactic operators have been utilizing at their stores to create a customer base of regulars is through a simple loyalty card.

Deborah Dower, owner of four Paradise Laundry locations in the greater Sacramento, Calif., area, has installed an electronic card system at her stores to set up her "Wash Club" rewards card, which she explains brings various benefits to her business.

"One of the key things is we're an unattended store," Dower says. "All of our stores are quarter stores, but we added credit [card] capability, and with that, we purchased proprietary 'Wash Club' cards, and that is what we [use] for customer acquisition."

"By having a loyalty card, or a frequent washer card, I load those up with \$5 credit and that's what I can mail out to get people to come in and try our store."

Dower explains that she has a "call to action" on her website, encouraging customers to register their card. Upon doing so, registered users get 10% "frequent washer" ▶

Photo: © iStockphoto/Sam Stock



Deborah Dower (right) owns and operates four of her Paradise Laundry locations in the greater Sacramento, Calif., area. Dower has established a rewards card at her store and remains active on social media to attract new customers and retain her regulars. (Photo: Courtesy Deborah Dower)

credit each time they use their card, as well as a "new member" bonus in which Dower matches 50% of the initial value customers load onto their card.

"We wanted to add credit cards because I wanted to be able to reach a different demographic," explains Dower, who not only utilizes the system for customer acquisition, but to issue refunds, as well. "I really felt that we're obviously capturing the quarter laundry users with the coins, but I felt that we could add credit cards and ... we would cast a wider net and be able to capture that homeowner that has a washing machine, but needs those oversized items [cleaned]."

Colleen Unema, owner of Q Laundry, Bellingham, Wash., has a similar structure to her store's loyalty cards. Unema gave away preloaded cards to locals when she opened her store in June 2013, and continues to give customers 10% on every dollar they spend.

"Fully a third of our business is on these loyalty cards. That means I have access to good information regarding what machines are used, how often [customers] come, average value per visit—all kinds of information that helps me manage my business smarter," says Unema.

Tiberio "Tiby" Erdely owns San Antonio Green Laundry, San Antonio, Texas, a fully

cashless laundry store that he's been operating for almost a year now.

In addition to utilizing loyalty cards to build a customer base at his store, Erdely is in agreement with Dower and Unema that the card system he's installed provides various management benefits.

"[Customers] earn the points, they get a bonus, but to me ... the value of it is because every machine gets cleaned up every single time they use it, and if somebody leaves something inside a machine, a T-shirt, whatever it is ... we see who used that machine the last time," he explains.

"I think that's the main thing, that it's not only the bonus, but the control that we have."

ONE-TWO PUNCH

For his store's loyalty card, Stone has taken a more traditional approach, providing customers a punch card to redeem rewards.

Patrons provide their name, e-mail address and phone number on the cards, and are given one punch per visit.

"We may have a 'Wacky Wednesday' that we'll announce on the website, in terms of how many punches you can get on your loyalty card," says Stone, explaining that on such days, he will double or triple the number of punches he gives to customers' cards. "We'll try to bolster a day where our volume may be a little lighter than some of our other days."

Though he also runs in-store promotions—like offering 15% off wash-dry-fold service every Thursday—Stone uses his store's loyalty cards as a tool to host store giveaways.

"Once they have 10 punches on their card, it gets entered into a box, and that's where the giveaway comes into play," says Stone, explaining that customers are then entered into a drawing. Past prizes have included a \$50 gift certificate for store services.

Phil Irwin, owner of Waters Express

Laundry Center, Tampa, Fla., operates a similar monthly giveaway program called "Wash to Win."

"What happens is every time they do a load, we hand them an entry form, so the more loads that they do, the more entry forms that they have [and] the better opportunity that they have of winning one of the prizes," says Irwin, with prizes ranging from restaurant gift cards to tablets and salon services.

Irwin explains that he used his experience as a McDonald's franchisee in setting up his store's loyalty program.

"We learned that the better that you take care of your customer, the more loyal the customer is going to be towards you, and taking care of you and your business," he says.

Stone shares the same philosophy, stressing the importance of giving back to customers, as well as using the opportunity to create buzz about his store.

"Before there wasn't anything like that in place, there's really nothing for the customers to talk about, there's no synergy. There [was] really nothing to build on, so the rewards program has done a couple of those things for us," says Stone.

The drawing also allows Stone to capture customer data to further build his loyalty program upon.

"The e-mail address was the main thing. We're able to now build a directory ... of e-mails to where we can send out ▶



Tiberio "Tiby" Erdely, owner of San Antonio Green Laundry, San Antonio, Texas, stresses the importance of providing consistent customer service to build a loyal following. (Photo: Courtesy Tiberio Erdely)

thank-yous, we can send out greetings for holidays, we can send out a plethora of things and it keeps us in contact with our customers.”

GARNERING ‘LIKES’ AND FOLLOWERS

Keeping in contact with customers is key, according to the store owners interviewed, as many of them execute this through e-mail and modern channels like social media.

Unema explains that through her loyalty program, she’s built a 1,000-plus list of customer e-mails that she reaches out to twice a month with special offers.

Unema also uses social media sites like Facebook, saying that she stays active on the site, posting content one to two times per day.

“What you have to remember is your best [Facebook] follower only gets four or five out of 10 posts; and if they don’t ‘Like’ a post, photo or update, they will not get any of your posts after awhile,” Unema explains.

Erdely follows the same principle, staying active on his store’s Yelp page.

“As soon as somebody puts up a review on Yelp, I get a notification on my phone, and I respond right away,” he says. “At the time that I receive it, I stop what I’m doing, I go to the computer and I respond, and I thank the people for putting up a review.”

Stone incentivizes his customers to engage on social media, explaining that he offers a \$1 coupon to customers for “Liking” or following his business.

“Basically what we do with that dollar

coupon is we don’t give those four quarters, in a sense. What we do is we take those four quarters and put them in a vend of their choice,” he says. “Sometimes [liking a page] is not enough, sometimes you need an incentive to get [customers] to go the extra mile. This isn’t going to break the bank for us; this is money that’s going right back into the store.”

In her experience with social media, Dower explains that her customers’ preference for certain platforms varies from store to store.

“What I’m finding is at every store, one social media does not fit all ... and it really depends on your demographics, what they’re using out there and what’s going to reach them,” Dower says.

SOCIAL MEDIA MANAGEMENT

Managing multiple online accounts can be daunting, but Dower explains she uses sites like Yext to update and keep track of her store’s online listings, as well as Hootsuite to manage her stores’ social media accounts.

“Hootsuite has been really helpful because you can make a post to Twitter and all of [your] Facebook pages at once instead of having to go log in each one,” says Dower.

Having an online presence, particularly a website or mobile website, is of importance, according to Dower, who explains that roughly 60% of her customers discover her store while using a mobile device.

For those unsure of how to create a website, both Dower and Unema advise store owners to seek coun-

sel. Stone reached out to a local design team to create his store’s website, for example.

Dower also stressed the importance of “claiming” online directory listings, saying, “If you’re not going to have a website, you at least need to have the directories out there; claim those directories, especially Google, Bing and Yahoo.”

Staying active online and managing a store’s social media accounts is key, as it can present opportunities to better your business, according to Irwin.

“I had one gentleman who gave me a [low rating]. He was totally dissatisfied with the service that we had provided him,” says Irwin. “By interacting with him and talking to him, we were able to find out what the problem was. ... It took us a while, but we finally regained him as a customer, and he’s a full-time wash-dry-fold customer again. Not engaging in social media would not have given us the opportunity to do that.”

For many of the store owners interviewed, offline, face-to-face interaction is of importance, as well.

“Every time we get somebody here in the store, regardless of who they are, when it’s their first time, we always ask them how they found us,” says Erdely. “We get a lot of response from Google and from Yelp, and from word of mouth.”

“My number one question, whether I’m in the store or whether I’m talking to a customer, I always ask, ‘How did you find out about us?’” explains Dower. “And even if they say Yellow Pages, I want to know which one. If they say online, I want to know what search engine. I’m constantly asking them how they heard about us.” ▶



Phil Irwin (right), owner of Waters Express Laundry Center, Tampa, Fla., hosts a monthly giveaway for his customers. Irwin used his experience as a former McDonald’s franchisee to set up his store’s loyalty efforts. (Photo: Courtesy Phil Irwin)



Chance Stone (left), owner of Tropical Laundromat, Holly Hill, Fla., says that educating employees on the benefits of a store’s rewards program and getting customers engaged is key to customer buy-in. (Photo: Courtesy Chance Stone)



When establishing a store's loyalty efforts, Colleen Unema, owner of O Laundry, Bellingham, Wash., advises store owners to tailor their efforts to their intended customer base. (Photo: Courtesy Colleen Unema)

EMPLOYEE BUY-IN

Getting customers invested in a store's rewards program or loyalty efforts lays in not only selling its incentives as a store owner, but also educating staff on its

benefits.

"The staff is basically on the front lines. They've got to be engaged because they're the ones that are going to be walking around and interacting with customers, making sure that they've got loyalty cards, making sure that they're getting them punched," says Stone.

"Basically, they're the ones that are talking it up with our patrons. If they're not engaged, then the rewards program, really, it doesn't work. ... It takes a lot of cooperation with the staff and getting them on board and getting them to perform the work that needs to be done to get the rewards program rolling."

Irwin agrees, saying, "I always have one attendant on the floor at all times, interacting with the customers and talking to them. ... We get a lot of feedback in terms of what we're doing and how it is that we're doing it."

'DON'T IGNORE IT'

Though the man-hours required to establish a loyalty program, promotions or social media campaign may seem lengthy, the store owners interviewed explain that

the investment is worth the effort.

"Don't be afraid of it. Put the work in up front," says Stone.

"If you have to hire somebody, then hire somebody. The investment that you put in is only going to be compounded in the profit that you get back from the back side of it."

"Match your efforts to your target customer base," Unema advises. "I have three target customer types and meet each one in a different way, toward the same goal of [becoming] a repeat, regular customer."

For Dower and Erdely, consistent service is the key underlying factor.

"Customers will become loyal when they know they're going to get the same thing every time, and that's what they come back for, is that same experience," says Dower.

"Stick to it and be constant on what you do; provide the same service every single day, and don't slack off," says Erdely.

Irwin's advice regarding customer loyalty efforts is simple: "Don't ignore it."

"If you ignore it, you're ignoring the potential to have a lot of customers come your way that would not have come your way otherwise," he says. **ACO**



AC POWER COMPANY Inc.

Commercial Laundry Solutions • 77 Steamwhistle Drive, Ivyland, PA 18974

Industry Leading Distributors For Over 38 Years!

HAPPY NEW YEAR! • New Year...New Equipment!

Upgrade today. Make 2015 your year.

Contact us today about your 2015 upgrade for equipment, parts and service.

Authorized Dealers for:

Electrolux
Wascomat

- American Dryers
- Card Concepts
- Sol-O-Matic

- Vend-Rite
- Internet Kiosks
- All other accessories

The Best Equipment Available at the Best Prices

*Local Service, Parts and Equipment Available
in PA, NJ and DE*



800.362.1900 • www.acpowerco.com • info@acpowerco.com