Case Study

Piezoni's Differentiates From Others with Fresh Ingredients and an Integrated POS Solution

Piezoni's is a 20-restaurant chain with stores in Rhode Island and Massachusetts that serves pizza, sandwiches, salads and pasta. Owner Victor Martinez and business partner Joe Ferreira source all natural and fresh ingredients for their pizzas and other dishes including California tomatoes, Wisconsin cheeses and non-GMO flours. Customers have responded to the differentiated menu offerings and customer surveys show that Piezoni's is well respected for having fresh, healthy ingredients.

Challenge

Piezoni's got its start in 1996 under the name Pepperoni's. In the mid-2000s as the number of locations grew, the owners began to explore franchising and changed the name to Piezoni's to help ease the trademark process. As Piezoni's grew to over 10 stores, Victor feared that that customers were starting to think of Piezoni's as just another pizza chain like Domino's or Pizza Hut. Broadcasting the message about items made with fresh ingredients everyday has helped Piezoni's stave off those comparisons and carve out uniqueness in a crowded market. Victor also saw that the big chains were embracing technology and adopting new sales tactics at a rapid pace. By early 2013, it was clear that a movement to online ordering was in full swing. Large brands across the country were also implementing loyalty programs to create customer stickiness and encourage repeat purchases. If Piezoni's was going to keep growing at a steady rate, Victor needed both options to help him get there.

Customer

Piezoni's

Challenge

Keep up with the technology used by larger pizza chains, while protecting a differentiated brand built on healthy, fresh ingredients.

Results

Piezoni's responded to changing buyer preferences by implementing online ordering and a customer loyalty program, helping his stores' sales maintain an upward growth trajectory.

The Results

Piezoni's attacked online ordering first. The stores already had a strong delivery business but took orders mostly by telephone. For Piezoni's the key to implementing online ordering was how to kick it off. Victor and his team studied different options:

- Implement an add-on integration from a new vendor

- Outsourcing to a third-party

- Managing it directly through the HungerRush® POS system

Piezoni's eliminated third party ordering systems because the possibility of introducing errors in the ordering process when transferring to the POS system was too great. Next, Victor realized bringing in a new vendor just for online ordering didn't make good business sense and seemed difficult to manage. Finally, Victor and his team decided that the logical solution was to use the online ordering system built in to the HungerRush POS system to help:

- Decrease order errors

- Reduce waitstaff training and management

- Minimize friction with customers

In addition, a Piezoni's-branded mobile app was made available through iOS or Android platforms; this would help Victor make the final decision that HungerRush's online ordering integration was the way to go.

As Piezoni's began promoting their online ordering platform, they received an unexpected reduction in labor costs. The volume of orders placed by

telephone decreased as customers grew more comfortable ordering through the website and the app. On a busy Friday night, each store typically had waitstaff manning up to five phone lines to capture the volume of orders for carry out or delivery. Once online ordering was implemented, the need for incoming phone lines was reduced from five to four, then down to three and for some stores even two.

Deciding which loyalty program to implement proved to be more difficult. Piezoni's first tried using customer punch cards as an easy-to-implement solution. Customers could get their card punched after each visit and would receive a reward after five visits. However, outstanding reward volume proved difficult to track. Customers also were likely to lose their punch cards or forget to bring them, costing them the chance to qualify for rewards. Victor next tried introducing a rewards program from an outside vendor but struggled with adoption. "We found that it was very difficult for people to download another app on their phone. As much as we tried, we were only able to get about 3% adoption," Victor remembers.

After two failed attempts, Victor realized that his best option was one that was right at his fingertips – using the loyalty program software offered through the HungerRush POS system. This application integrated across Piezoni's website, the mobile app and for customers that ordered in-store. Victor liked the easy sign-up, requiring only name, email and phone number as it did not slow down his ordering lines when adding customers to the program. Victor also trained his waitstaff to prompt guests when they have a reward available. "We don't want people to forget, and we also want them to thank us for the reminder. Plus, we want them to start the race to get to the next reward." Victor comments.

Summary

Implementing online ordering and introducing a customer loyalty program has been highly successful for Piezoni's business. In the beginning, some of Victor's team was skeptical, but once they began looking at sales data and customer conversion metrics, it was obvious that the programs were having a positive impact. While Victor was pleased that online ordering caused his reliance on phone ordering to drop, the biggest benefit was growth in check size. He found that people tend to order more items when they have time to browse through the online menu instead of feeling rushed when ordering by phone.

"Since implementing online ordering, our average check size has increase by $3.50 as compared to orders we take over the phone," says Victor.

The results of Piezoni's rewards program speak for itself. The adoption rate is over 45% and loyalty rewards are Piezoni's primary source of coupon redemption. Return on customer visits is also astounding. "Most customers visit our restaurants slightly less than twice per month. However, members of our Loyalty program visit four times per month – double the rate of non-members," added Victor. "I don't see how a business can survive these days without a rewards program. It's like not having a website."

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