

GUIDE

First-party Data: The Secret Ingredient for a Differentiated Dining Experience



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Introduction

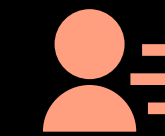
You can't serve up a differentiated dining experience without a **first-party data strategy**.

In today's digital-first world, Quick Service Restaurants (QSRs) face unprecedented opportunities to learn more about their customers' behavior and deliver dining experiences that drive revenue.

But with more privacy-conscious consumers than ever and the introduction of new privacy legislations across the world, marketers can no longer rely on third-party data sources. These shifts require QSR and dining brands to develop new business strategies for understanding customer behavior and delivering meaningful customer experiences.

Drawing on [mParticle](#), [Bounteous](#), and [Punchh's](#) extensive experiences working with leading QSR and dining brands, this guide outlines actionable steps restaurant brands at all stages of data maturity can leverage to deliver a best-in-class dining experiences, alongside examples of how brands such as Burger King, Carl's Jr., and Hardee's are already doing so.

In this guide, we dive into:



Develop a compliant first-party dataset

[How to gather the best ingredients](#)



Turn data into value using the best tools

[How to run an efficient kitchen](#)



How to put it all together to create revenue-driving outputs

[How to build world-class meals](#)

Understanding the modern dining consumer

Before we get cooking, we need to understand the state of the **modern dining consumer**.

One critical change that has shaped the dining experience in recent years is the rapid rise of mobile ordering. It's no surprise that the COVID-19 pandemic transformed the way in which diners engage—mobile ordering for pickup grew **over 200%** in 2020, and new buying behaviors such as curbside pickup became commonplace.

As mobile has become the center of the ordering experience, the usability of a restaurant's app has become as influential on dining decisions as the tastiness of their burgers and fries.

A [McKinsey study](#) showed that by 2021, 76% of consumers had not only come to expect personalized digital interactions, but would actually become frustrated and have a negative experience when they don't find it.



Some brands have leveraged this consumers' appetite for personalized digital experiences as an opportunity to differentiate their brand. Burger King won customers from McDonald's with their captivating Whopper Detour campaign, driving a 300% increase in mobile order value.

300%

increase in mobile
order value



STEP 1

Develop a compliant first-party dataset

Gather the best ingredients



Develop a compliant first-party dataset

Just as you can't create a world-class meal without the best ingredients, you can't create **useful outputs** (such as loyalty programs or marketing campaigns) **without the best data**.

The problem?

The modern consumer has become more and more privacy-conscious. In order to understand diner engagement while also supporting customer trust, QSR brands need to develop a first-party data strategy.



60%

of consumers place data privacy among their top values ([Source](#))



80%

of consumers worry about how their data is used ([Source](#))



<50%

of iPhone users approved third-party tracking for food & drinks apps in 2022 ([Source](#))

The value of first-party data



Accuracy and reliability

First-party data is collected directly from customers as they engage across owned touchpoints. This makes it much more trustworthy than third-party data, the original source of which is often unknown.



A deeper customer view

By collecting first-party data from multiple digital touchpoints, brands can understand customer preferences and behavior across the entire customer journey—from first-time diners to repeat customers—and use this to power personalized experiences that create value for the business.



Consumer trust

Collecting first-party data gives brands the ability to obtain explicit consent from consumers for data collection and deepen customer trust.



CKE, the parent company of Carl's Jr. and Hardee's, began collecting first-party data across numerous customer touchpoints, associating previously anonymous customer data with known users and creating a 360-degree customer view. With a first-party data foundation in place, CKE was able to engage their diners with personalized offers and rewards, resulting in a 5% increase in overall number of digital transactions and a 20% increase in average check amount.

5%

increase in overall number of digital transactions

20%

increase in average check amount



STEP 2

Turn data into value using the best tools

Run an efficient kitchen



Turn data into value using the best tools

Just as fresh ingredients don't transform into a gourmet dish at the snap of a finger, you'll **need the right tools and processes** in place to **translate your first-party data into business value at scale.**

Solutions like mParticle makes it easy to collect engagement data from a point-of-sale (POS) system in-store—as well as data from digital touchpoints such as mobile apps and web—and tie all of this data to the same customer profile.

Connect data sources

The first step is to start collecting data from POS systems, mobile apps, websites and more into your customer data platform (CDP). The best CDPs make this super quick and easy with pre-built integrations. mParticle, for example, offers more than [300 integration partners](#) to make quick work of piping your data into our platform with just a few clicks and your API key.



60%

of marketers say their biggest challenge lies in connecting the dots across omnichannel customer journeys ([Source](#))

Connect data to their corresponding customer IDs

[Identity resolution](#) is the crucial step that turns disconnected, omnichannel data into one connected customer profile. With a tool like mParticle, it's also the easiest step—because it happens automatically.

When you pipe data from all your inputs into your CDP, it should pull together a complete profile of each customer, which includes identity resolution based on both online and offline data from your website, app, POS, and any other sources you connected.

For example, mParticle ID stitches together fields like:

- Customer ID
- Email
- Credit card data
- Device IDs
- And more

All of this disjointed data comes together to create a single, unified profile of each customer, enriched with attributes like demographic data, location, behavior (like purchases and cart abandonment), loyalty details, and more (including custom ones).



Managing identity can power more effective multichannel engagement, improve targeting and creative tactics, and make measurement more accurate.

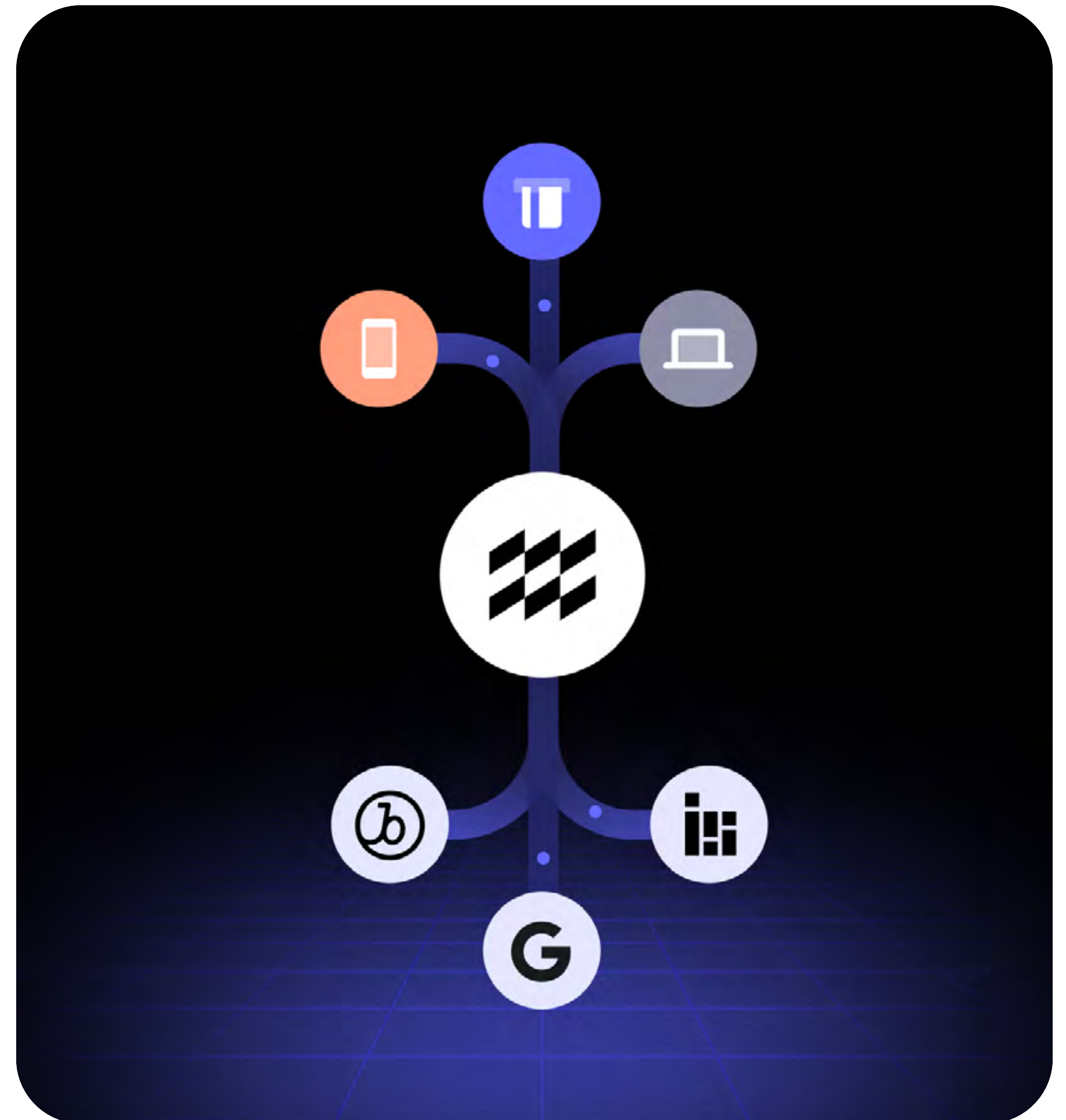
Gartner

[\(Source\)](#)

Connect data sources to downstream tools

Next, you'll set up connections between data sources and your [downstream tools](#) including analytics (like Mixpanel or [Indicative](#)) and marketing (Mailchimp, Braze and Google, Facebook, etc.) tools.

With a platform like mParticle, this process is completely codeless. You can connect with forwarding rules to control which data gets forwarded.



STEP 3

Put it all together to create revenue- driving outputs

Cook up amazing dishes



Put it all together to create revenue-driving outputs

With **top-notch ingredients** and a **world-class kitchen**, you're ready to get cooking.

With access to high-quality profiles that stay up-to-date in real time, there are a ton of ways you can deliver more connected experiences to delight your dining guests.



By integrating online and offline point-of-sale (POS) data, brands can craft the kind of curated experiences that make customers feel special. This goes far beyond simply dropping the customer's name into an email line, instead taking into account dimensions such as geolocation data, past purchases, and payment history to adapt the experiences contextually in ways that remove friction and help customers accomplish goals.



Rob Tedesco

Senior Vice President, Product

bounteous

Whip up a loyalty program

Incentivizing your most devoted customers with an engaging loyalty program is one of the most effective ways to maximize diner lifetime value. According to leading loyalty platform [Punchh](#), offering loyalty experiences such as challenges, access to exclusive menu items, and sweepstakes, QSR and dining brands see increased revenue.

Loyalty programs drive results such as:



50%

increase in customer
visit frequency



20%

increase in
average spend



How to set up your loyalty program



Set clear program objectives

Define what exactly you want to accomplish with your loyalty program, and let it drive the loyalty experiences that you create. For example, if increasing purchase frequency is important, an always-on rewards program may be more successful than a one-off sweepstakes. It's also important to make sure these objectives align to your overall business goals.



Measure progress

Identify the first-party data you need in order to see results, as well as the tooling you'll need to collect that data in a privacy-compliant manner. High-quality reporting will enable you to show leadership how your program is helping the business and unveil opportunities to optimize your loyalty offering over time.



Establish timelines

Define the key initiatives for the year and how you will reach your customers through campaigns and offers. As you plan your loyalty calendar, consider a combination of always-on reward programs and limited-time experiences, such as a loyalty member appreciation month.

When leveraged successfully, digital loyalty programs have the potential to fundamentally transform your relationship with your dining guests.



Modern loyalty is more than just a 'program' - it's an emotional connection. What is contained in those messages and offers can help your brand connect with your most loyal members and stand out from the competition.



Joe Yetter
PAR Punchh General Manager



tropicalSMOOTHIE CAFE

Tropical Smoothie Cafe, for example, wanted to launch a loyalty program with Punchh that would drive engagement through omnichannel interactions. The team introduced Tropic Fan Fest, their first-ever member appreciation week, in which loyalty members were rewarded with daily offers. As a result, Tropical Smoothie Cafe was able to drive a 46% increase in loyalty transaction, with 22% of guests trying a food item for the first time.

46%

increase in loyalty transactions

22%

of guests tried new food items



Mix it up with cross-channel, real-time campaigns.

First-party data connects the entire customer journey, unifying in-store and online experiences.

A [study](#) of 2,100 consumers conducted by PYMNTS found that on average, restaurant customers use four channels to place food orders. Additionally, [data](#) from Salesforce shows that 75% of customers desire a consistent experience across these various channels.

With a rich first-party data set and the right tools for activating data across channels, QSR brands can engage customers with impactful experiences in the moments that matter—even at the scale of millions of guests around the world.



Gamification

Introducing gamification into the customer experience can be an effective way to capture customers' (often limited) attention and drive engagement. These experiences can be particularly impactful if they unify physical and digital touchpoints.



The Burger King team set a new standard for gamification with their Whopper Detour campaign. Leveraging the mParticle CDP's real-time data connections, Burger King sent app users push notifications offering \$0.01 Whoppers when these customers were near a McDonald's location. There was a catch, though—once the offer was unlocked, customers had just one hour to redeem their near-free Whopper. In addition to creating a viral frenzy, the campaign drove a 300% increase in mobile order value, six million total app downloads, and \$15 million in expected yearly spend by customers that took part in the campaign.

\$15M
expected
customer spend

300%
increase in mobile
order value

Real-time engagement

In addition to gamifying the customer experience, it's critical for restaurants to keep offers up-to-date in real-time. Targeting customers with real-time personalized offers based on both in-store and digital behavior can help QSR and dining brands increase their loyalty program's participation and total revenue.



International coffee brand Joe & The Juice saw impressive results by leveraging real-time data to engage customers in the moments that matter. Building real-time audiences in mParticle based on recent customer engagements, Joe & The Juice was able to deliver personalized offers and discounts related to recent store visits and coupon purchases, leading to a 75% increase in loyalty card revenue compared to previous year.

75%

increase in loyalty
card revenue



Bake in a sprinkle of AI

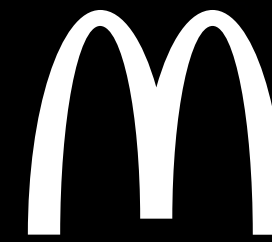
While there is plenty of hype surrounding the potential of AI, one thing is clear: AI predictive analytics have immense potential to transform marketers' impact on the business, boosting creativity and introducing efficiencies never seen before.

According to [McKinsey](#), AI has the potential to drive as much as a 10-20% increase in customer engagement.

As marketers move away from third-party data sources, there will be certain aspects of customer behavior and preferences that cannot be gleaned from first-party data alone. Using AI, marketers can use first-party data sets to generate predictive insights about customer behavior, including favorite food category, preferred menu items, and next best offers, filling the gaps on customer profiles and overcoming signal loss.

With predictive insights available on first-party diner profiles, QSR brands can refine their audience segmentation and target campaigns based on predictions such as likelihood to place an order, improving campaign efficiency.

Furthermore, marketers can leverage predictions such as next-best-offer to power individualized product recommendations, engaging dining guests with valuable menu offers in the moment.



McDonald's, for example, leveraged Machine Learning to generate predictions of which food items customers would like, based on data points such as previous orders, the weather, or the time of the day. They were then able to use these recommendations to power personalized menu recommendations, resulting in a 30 second reduction in drive-thru service time.

30s

decrease in drive-thru
service time



Conclusion

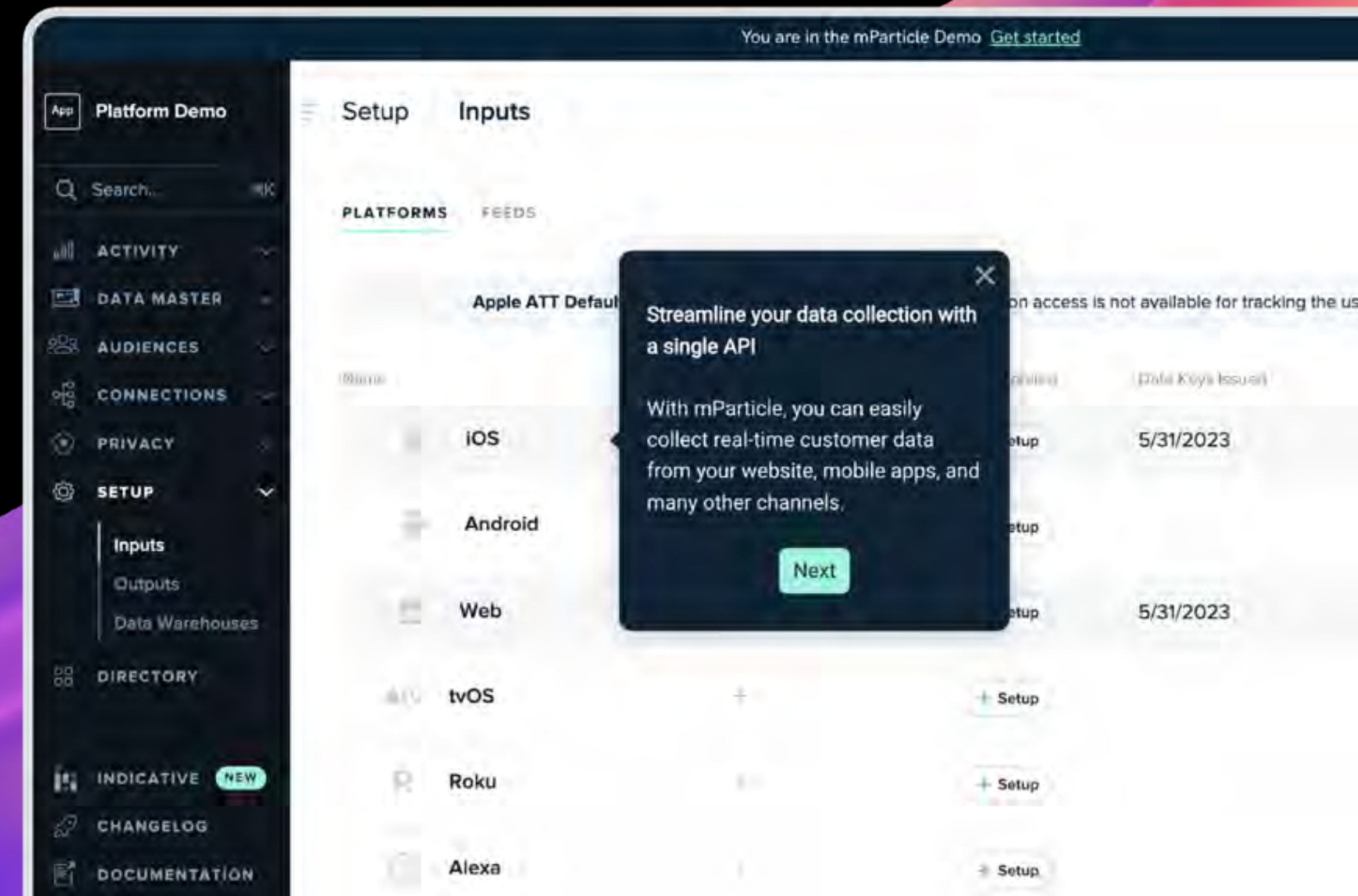
The dining experience has gone digital, creating new challenges but also new opportunities for QSR brands. Changes in consumer behavior and the deprecation of third-party cookies have made it harder for QSR marketers to understand how new dining guests are engaging, develop a 360-degree customer view, and power personalized digital experiences.

But establishing a first-party data foundation, and combining it with innovative technology, creativity, and insight, restaurants have the opportunity to transcend the limitations of the category and provide consumers not just with their favorite dining experience, but their favorite brand experience.

And with your loyalty app sitting side-by-side with Netflix's and Instagram's on your customer's phone, delivering a differentiation digital experience is no longer a nice-to-have, it's a necessity for keeping your customers' attention.

Ready to do more with your customer data?

Explore demo now





mParticle is an AI-powered, real-time Customer Data Platform that powers the entire customer data stack by combining data quality and compliance protections with rich insights and predictions. Companies like NBCUniversal, JetBlue, and Venmo use mParticle to simplify their customer data infrastructure, maximize the value of their data, and accelerate growth at scale. mParticle has raised nearly \$300M in funding. Founded in 2013, mParticle is headquartered in New York City with employees around the globe.



Bounteous is a leading digital experience consultancy that co-innovates with brands like Domino's, Dutch Bros, Wawa, and Wingstop to drive incremental revenue through digital channels, from ordering and loyalty to apps and websites. Our technology accelerator NomNom™ is the foundation for industry-leading digital ordering/loyalty apps and websites, processing more than \$2 billion in sales per year. With services in strategy, experience design, technology, analytics and insight, and marketing, Bounteous elevates brands to drive superior client outcomes.



PAR Punchh is the leading loyalty, offers, and engagement solution for restaurants and convenience stores. The AI-powered platform enables marketers to increase customer lifetime value through personalized, data-driven campaigns and offers. Many of the largest brands successfully scale with Punchh relying on our 200+ integration partners and end-to-end loyalty strategy services.