



ZOOO

10 Proven Ways to increase traffic to your store



When you think of traffic, are you imagining the daily congestion you have to fight through on your morning drive, or are you thinking about the lifeblood of your business? If you answered the latter, then this is the whitepaper for you!

Businesses with a physical presence are always looking for cost-effective ways to drive new customers and traffic to their locations. This guide will show you 10 Proven Ways to Increase Traffic to your store, restaurant, or other small-to-medium-sized business.

Table Of Contents

Abstract	01
Table Of Contents	02
ZOOO INC	03
Introduction	04
Loyalty Program	06
Targeted Coupons	10
Behavior-Driven Offers	12
In-Store Experience	14
Meet Them Online	16
Win Them Back	18
Drive Word Of Mouth	21
Make It Convenient	24
Be Consistent	26
In-Person Giveaway	28
Conclusion	30
Sources	32



At ZOOO INC, we're on a mission to help connect consumers with local businesses.



We are a modern Information Technology company that emphasizes care and integrity for its customers and users. With the rise of AI, we had a fundamental question - how can we harness the power of AI to help local businesses prosper? Founded in Japan, ZOOO INC was born to explore how AI could bridge the gap between businesses and customers.

Our platform looks at dozens of data points to determine whether a customer would be a good fit for a business, helping reach new fans and keep them coming back with data-powered coupons. On top of that, we also reward customer loyalty with Sound Points for checking

into stores, using coupons, and sharing coupons with their friends. Customers can exchange their Sound Points for gift cards from companies like Amazon, Target, Zappos & many other exciting options!

If you're wondering how to find new customers and get them to your store, let us help. We even have a FREE option with no upfront costs to start finding your new fans today!

To see all of the features of our platform and learn how ZOOO can help you increase your store traffic and revenue, [**CLICK HERE.**](#)

Introduction

With the rise of online and mobile shopping, it has never been more challenging for businesses to drive traffic to their physical locations. Add in all of the other challenges that 2020 has thrown at brick and mortar, and you can see that we are facing strong headwinds. However, challenges do not equal defeat, and there are still ways to maximize your investment in a physical location.



**More Traffic =
More Sales =
More Revenue Growth**

Introduction

Traffic is the lifeblood of your business, so what are some proven, cost-effective ways to get the blood pumping? If you don't have time to read the whole report (although we highly recommend that you do) here are the 10 strategies in bullet format. Pow pow!

- 1. Set up your loyalty program the right way**
- 2. Give out targeted coupons**
- 3. Provide behavior-driven offers**
- 4. Examine the in-store experience**
- 5. Meet them online**
- 6. Win them back**
- 7. Drive word of mouth**
- 8. Make it convenient**
- 9. Be consistent**
- 10. Offer in-person giveaway**

We will dive into each of these strategies in more detail, drawing from case studies, research, and academic papers to help you fully understand why these methods are cost-effective ways to increase your store traffic and what are some hidden pitfalls to avoid.

Loyalty Program

01

While it may seem obvious for a company that builds loyalty programs to start with a loyalty program as the first method to drive customer traffic...well, you're right, that is a pretty obvious place for us to start. However, loyalty programs are also a tool that have become ubiquitous across the country, with "US companies spending more than \$1.2 billion on them each year" and the average US household subscribing to nearly 22 different programs.¹ With this much activity in the loyalty space, it may seem that everyone has it figured out, but some programs have actually been discontinued, paused, or reworked due to poor results. There are 3 main psychological drivers in a reward system to be aware of: gratitude, status, and unfairness.

Gratitude "represents the emotional appreciation for benefits received, accompanied by a desire to reciprocate."² **Status** is how that customer is treated in relation to other customers, and **unfairness** is whether people feel the reward system is just. The goal of a loyalty program is to maximize gratitude and status while minimizing unfairness.

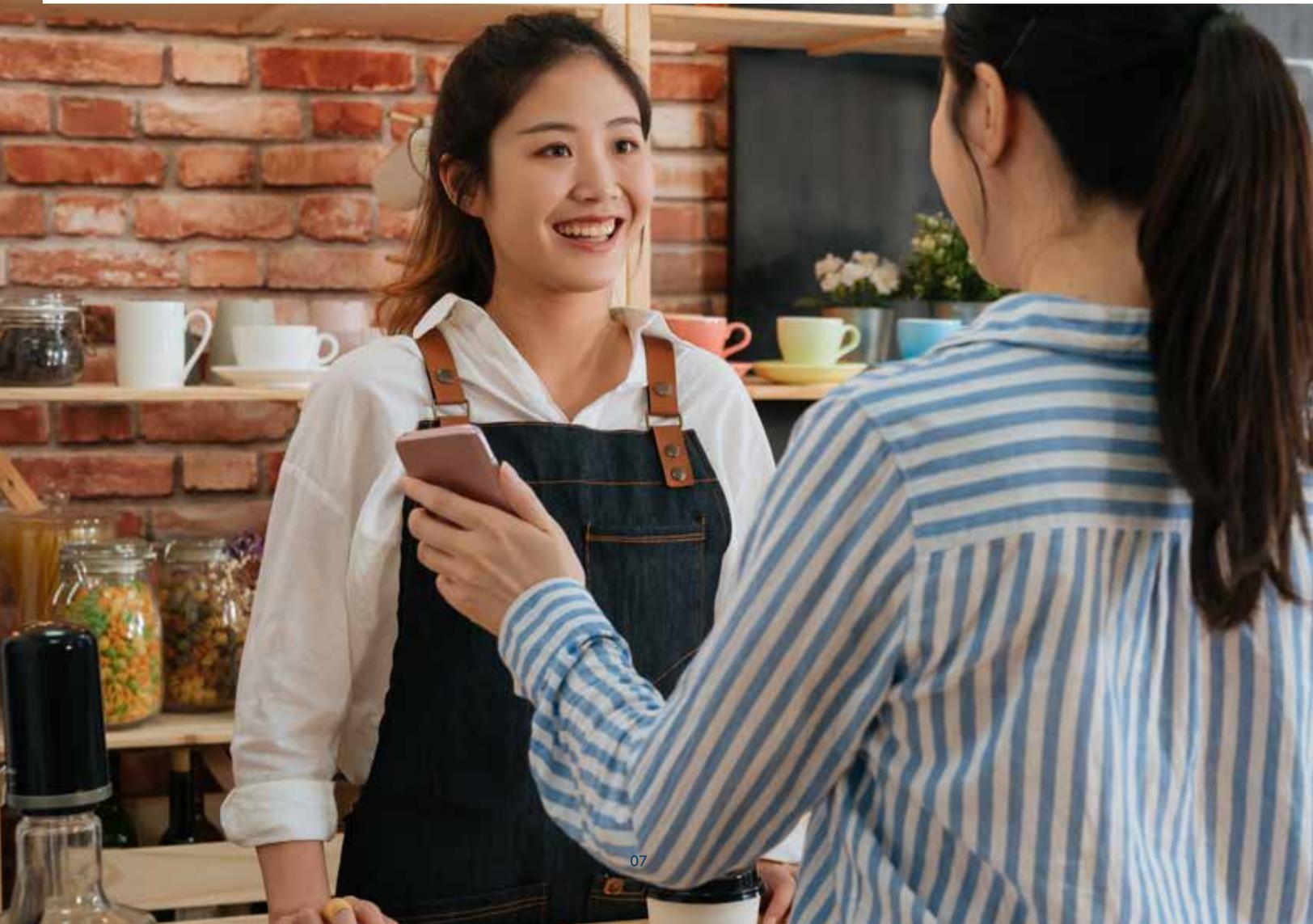
Let's look at an airline reward program as an example. The following chart lays out different types of rewards, mapping out how they impact the Target of the reward (person receiving it) as well as the Bystander (a person who sees someone else get the reward).

¹ Steinhoff, Lena, and Robert W. Palmatier. "Understanding loyalty program effectiveness: managing target and bystander effects." *Journal of the Academy of Marketing Science* 44.1 (2016): 88+.

² Emmons, RA, McCullough, ME: "The psychology of gratitude: An introduction, pp. 3-16." *The psychology of gratitude*. Oxford. Oxford University Press (2004)

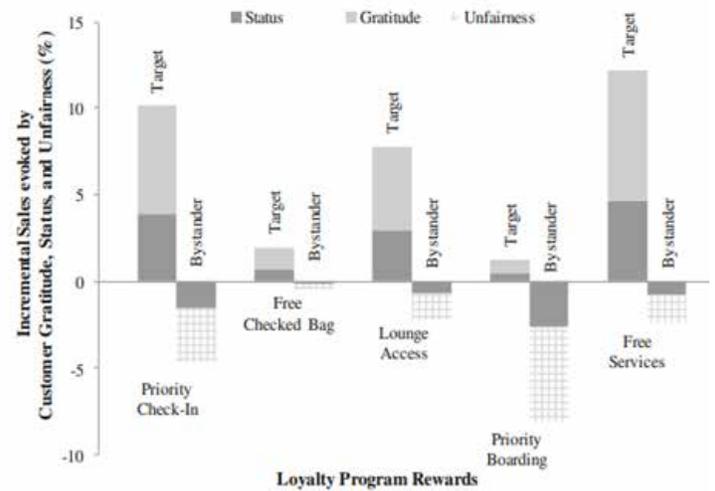
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The average US household subscribes to nearly 22 different loyalty programs.¹

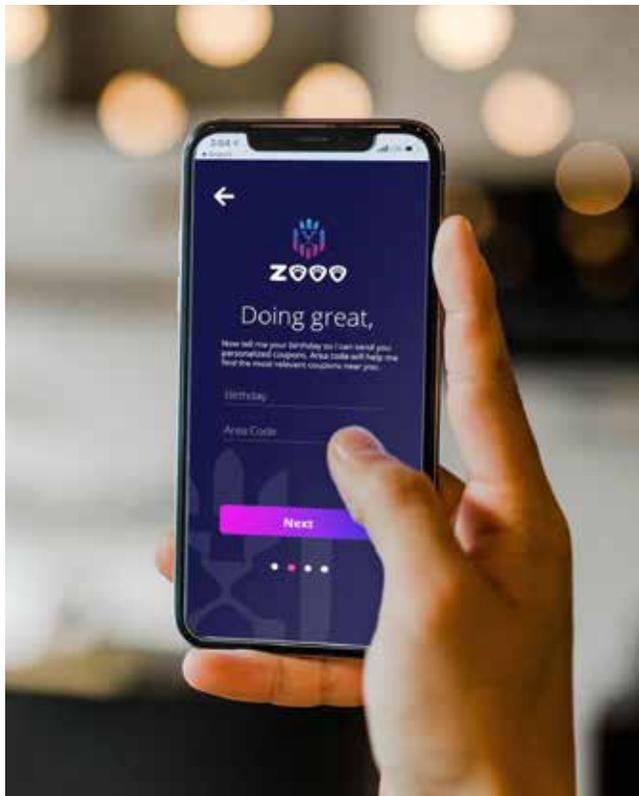


Loyalty Program

Fig. 2 Reward element analysis: incremental sales for different program rewards (Study 3). Notes: For each of the five reward elements in Study 3, the left (right) stacked bar shows the total effect of that reward on the target (bystander) customer's incremental sales. The different shading identifies the contribution to the total effect from customer gratitude (light gray), status (dark gray), and unfairness (crosshatched)



3



Gratitude accounts for 62% of the incremental sales effects.

Loyalty Program

As you can see, rewards like “Priority Check-In” and “Priority Boarding,” while beneficial for the Target, generate larger amounts of unfairness for the Bystander. This is because the reward seems to come at the expense of the Bystander. Other visible rewards, like Lounge Access, do not create the same amount of perceived unfairness, since they do not cost the Bystander anything (e.g. waiting in line while “priority” customers get to board/check in).

You’re probably not looking to run an airline’s reward program, but there are still important takeaways to note. The first is, “for target customers, gratitude accounts for 62% of the incremental sales effects, and status makes up 38%. For bystanders, status constitutes 32%, and unfairness accounts for 68% of the incremental sales effect. Thus, it appears as if gratitude and unfairness represent the twin pillars of loyalty program effectiveness”⁴.

By focusing on rewards that drive gratitude in the Target while avoiding unfairness in Bystanders, you will get the maximum value out of your loyalty program.

In situations where it is impossible to hide the special treatment or higher status of a certain customer, being transparent about the loyalty level required for that treatment helps mitigate the negative bystander effects. For example, if you have a line of customers but one of them is getting an extra gift at the register, you can say “as a thank you for being a GOLD loyalty member...” letting everyone know the logic behind the act.

Lastly, a successful rewards program requires constant attention and tweaking. Like any other marketing tool, if you aren’t reviewing the data to see what is working and what isn’t, you won’t be able to maximize your ROI.

³ Steinhoff, Lena, and Robert W. Palmatier. “Understanding loyalty program effectiveness: managing target and bystander effects.” *Journal of the Academy of Marketing Science* 44.1 (2016): 88+.

⁴ Ibid

Targeted Coupons

Now that your loyalty program is set up, you can send everyone on your list the same exact offer...NOT (I hope you read that in your best Borat impression).

02

81% of consumers use coupons regularly,⁵ so this is definitely something you should be offering. If that didn't already have you convinced,

"Google reports that 85% of shoppers would be more likely to shop in stores that offer in-store personalized coupons and exclusive offers."⁶

Before sending someone a coupon, you want to ask yourself, "what type of customer is this?" Are they a loyal customer, or someone who switches between brands? Whether or not the customer is loyal is key to figuring out what type of coupon to offer.

The lower the brand loyalty, the more sensitive to coupon value that customer is and vice versa. According to a recent study that looked at mobile coupon redemption, "loyal customers... continued to redeem coupons worth only a few cents, while deal-prone customers of rival brands were induced to switch brands using...higher value coupons."⁷ This means that your most loyal customers don't need large discounts to lure them back, and instead you should focus on opportunities to build the relationship you have with them. With your more fickle customers, a larger discount will be necessary to get the ball rolling again.

Shoppers [save] an average of \$0.80 per trip using coupons but spent \$4.18 more per trip than the average shopper.

”

It may seem like a lot of effort to customize coupons based on customer profiles, but the returns are well worth it. The study “observed that mobile coupon shoppers saved an average of \$0.80 per trip using coupons but spent \$4.18 more per trip than the average shopper...This result is consistent with Heilman et al. (2002), who find that a \$1 in-store surprise coupon increases basket size by 11%-12% and overall spending by \$7.68.”⁸

If you’re not sure how to go about segmenting your customers and strategically targeting coupons, [get in touch](#) with one of our team members at ZOOO, who will be happy to get you started on our free platform.

”

⁸ Mills, Paul, and Cesar Zamudio. “Scanning for discounts: examining the redemption of competing mobile coupons.” *Journal of the Academy of Marketing Science* 46.5 (2018)

⁵ Mills, Paul, and Cesar Zamudio. “Scanning for discounts: examining the redemption of competing mobile coupons.” *Journal of the Academy of Marketing Science* 46.5 (2018)

⁶ Ibid

⁷ Ibid

Behavior-Driven Offers

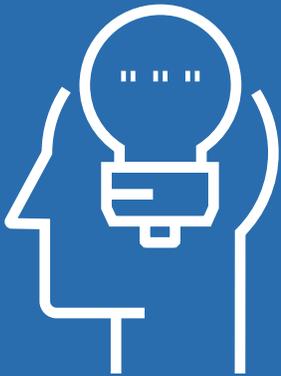
03

The goal of this report is to help increase your store traffic. This may seem like a bit of a cheat code, but creating offers that can only be redeemed in-store is a great way to get people through the door. While crafting the offer may be straightforward, making sure it is cost-effective and drives profitable revenue is a bit more complicated.

A strategy you may have seen before is a coupon printed directly on the receipt with an expiration date. This is a great way to encourage people to return to your store to be able to redeem their reward, driving a specific action from the customer. Another popular strategy for getting customers through the door is

to create a loss leader. This is a product or offer that you don't make money on, but it serves to bring traffic into the store. While this can be successful, it relies heavily on your ability to make up the margin with other offerings in-store. Especially when people are feeling a little more price conscious, having a loss leader to get them out of the house can be a great strategy. However, you must carefully monitor the buying behavior to see if people are adding other items to the basket. Also, it doesn't make sense to discount an already-popular item to create a loss leader. If people are currently coming to the store to buy it, discounting would just cannibalize your sales.

Behavior-Driven Offers



Not all behavior-driven offers require discounts; **they can also be based on scarcity.** Sneaker “drops” are an excellent example. While it may seem crazy that customers would line up outside a store for hours just for the chance to buy a product at full price, that’s exactly what scarcity can do. If you have a new product launching, try to create some buzz around it with a limited release. If you’re not in the retail game and are thinking this isn’t for you, try a limited menu item at your restaurant only available to the first 20 customers, or a spa offering only available for the first five new bookings.

In-Store Experience

04

With more and more shopping happening online, getting people to physically come to your business is becoming more and more difficult. One way to get people through your door is to give them an experience they can only get in your store that can't be replicated online.

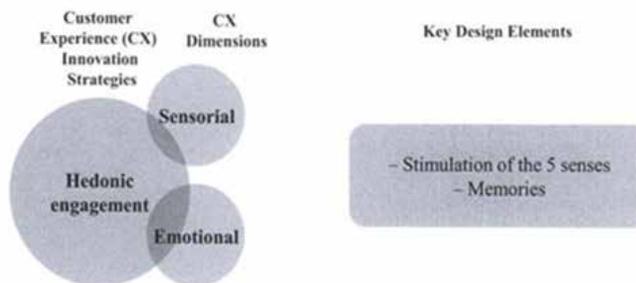
The customer experience is defined “as what ‘originates from a set of interactions between a customer and a product, a company, or part of its organization, which [provokes] a reaction... at different levels (rational, emotional, sensorial, physical, and spiritual).”⁹ Your in-store experience doesn't have to hit all of these levels, but you can look at your typical customer and try to figure out which type of experience would best connect with them.

⁹ Artusi, Federico, et al. „Designing an Omni-Experience to Save Retailing: Lessons from an Italian Book Retailer: Retailers can achieve competitive advantage by creating an omni-experience, a novel customer experience innovation strategy.” Research-Technology Management May-June 2020: 24+

In-Store Experience

Facing steep declines in revenue, Italian bookstore chain LaFeltrinelli decided to radically change its traditional bookstore model. With steep competition from online retailers, LaFeltrinelli focused on how it could differentiate the in-store customer experience. Settling on the emotional and

sensorial levels, the company developed a new strategy called Read. Eat. Dream. By building on the emotions associated with using its products (books) and combining it with a sensory experience (food), LaFeltrinelli was able to draw customers back into its stores.¹⁰



Another great example of a brand with a next-level in-store experience is Apple. With so much electronics shopping happening online, Apple could have decided to focus on those distribution channels. Instead, it has designed a store experience that hits on most of the experience levels - rational, emotional, sensorial, physical, and potentially spiritual (for the most die-hard of Apple fans). The Genius Bar is a provider of rational information. The in-store product launches are emotional high points. Being able to interact with the sleek design of their devices satisfies the sensorial and physical elements, and the modern glass-storefront design invokes a feeling of a unique retail experience – and, again, maybe even a spiritual one.

Hopefully your business is not in a situation where such a drastic pivot is required, but there are still lessons to be learned here. By thinking about your customer, identifying the level on which they connect with your product and brand, and then implementing small changes in-store, you can actually drive an increase in revenue and profits. Ulta Beauty saw an increase in same-stores sales of nearly 8% after some strategic changes in how its associates interacted with customers.¹¹ Ulta recognized its customers valued an emotional experience, and it was as simple as allowing associates more time to focus on customer interactions.

¹⁰ Ibid

¹¹ <https://econsultancy.com/in-store-customer-experience/>

Meet Them Online

05

Even though we are looking to drive more traffic to your physical location, the best place to start actually is online. According to a recent survey from BrightLocal, “90% of consumers used the internet to find a local business in the last year, with 33% looking every day.”¹² If we’re looking to get customers to go on a journey from browsing online to visiting your store, that means treating the online presence like your storefront.

While a full website overhaul is out of the question for most businesses right now, there are some cost-effective ways to spruce up your online presence. One of the most important things you can do is ask your customers to leave reviews of your business. Online reviews are often a potential customer’s first impression of a business, and “82% of consumers read online reviews for local business, with 52% of 18-54-year-olds saying they ‘always’ read reviews.”¹³ The best way to get great reviews is to provide great service, but that doesn’t always happen. When a customer has a bad experience with your business, that’s actually an opportunity in disguise. By paying a little extra attention to a disgruntled customer, you can often turn a negative review around.



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¹² <https://www.brightlocal.com/research/local-consumer-review-survey/#Q17>

¹³ Ibid

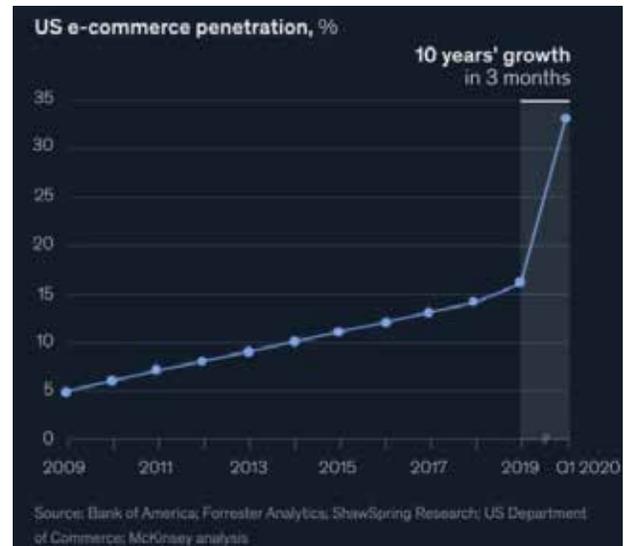
¹⁴ Bank of America; Forrester Analytics; ShawSpring Research; US Department of Commerce; McKinsey analysis

Meet Them Online

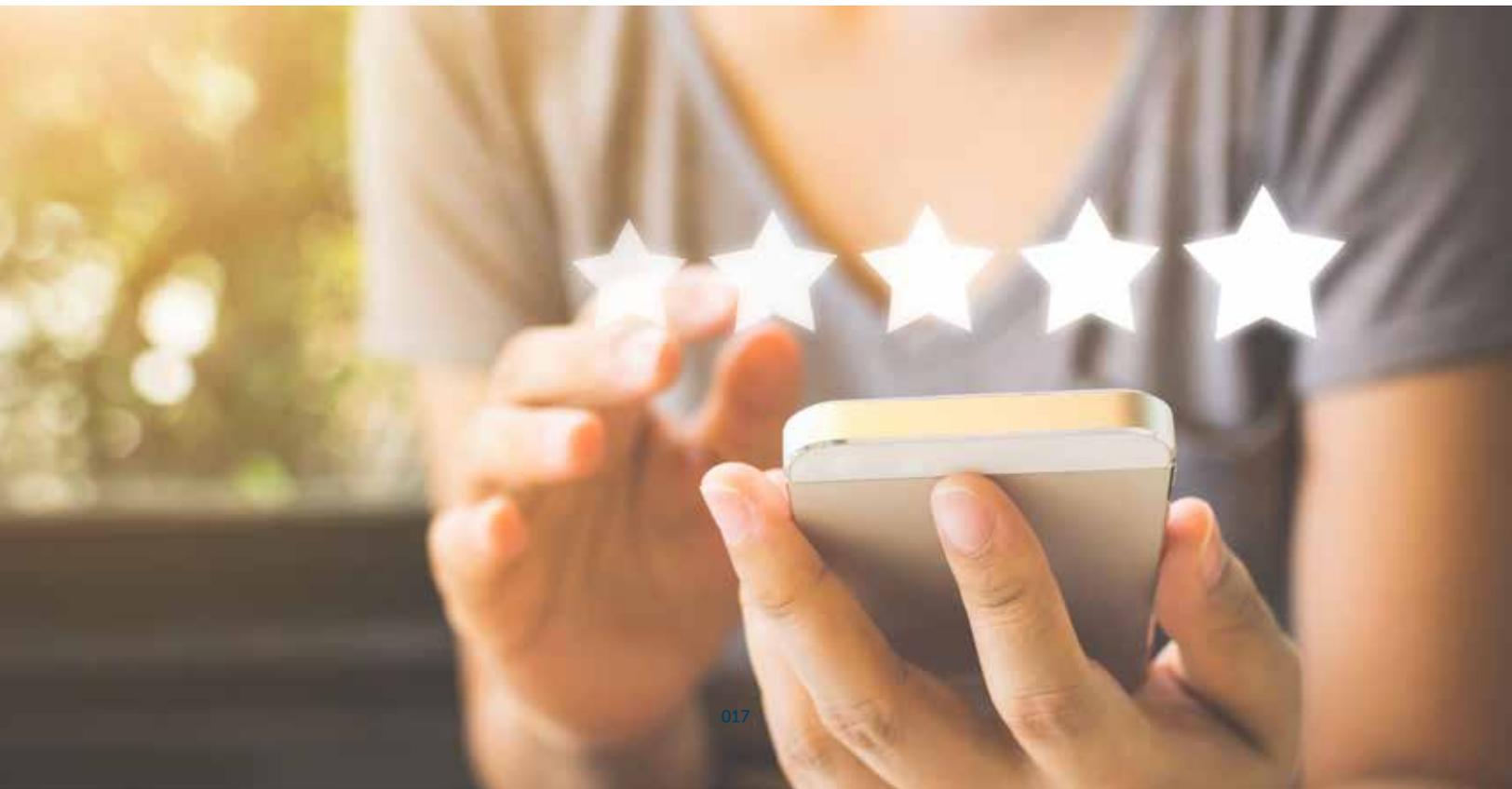
One of the most important things you can do is ask your customers to leave reviews of your business.

E-commerce has certainly seen a drastic increase due to the global pandemic. Before this external boost, online sales had been steadily rising yet only accounted for 16% of total retail sales, meaning that most people purchase an item in person after searching online. The lasting effects on consumer habits are unknown, but it's highly unlikely that this level of commerce will continue to take place online. As stores reopen and people feel more comfortable going back out, the share of e-commerce spending will drop back down.

A business's digital presence is a crucial first impression. Even if the business is not an e-commerce store, it's still important to recognize that online and in-store traffic are directly linked.



14



Win Them Back

06

Another way to generate more traffic is to win back customers who haven't visited your location in a while. When figuring out how to attract customers back to your store or restaurant, there are a few main factors to consider from their point of view: reactivation costs and the attractiveness of alternatives. The other key factor is how long it has been since they were your customer.

Win Them Back

Reactivation costs are what it will cost to the customer to return to your brand. This might mean termination of a current relationship - if your business is more subscription-based, like a gym - or spending time, money, or even the cognitive effort to switch back. The higher the perceived reactivation costs are, the less likely a customer is to come back.¹⁵

The attractiveness of alternatives is “the degree to which the products or services that competitors offer are more interesting, beneficial, and valuable.”¹⁶

While studies have shown that this is a big driver of whether or not customers are likely to come back, much of it is out of your control. Instead of focusing on what the competition is doing, it's better to work on reducing the cost of switching back. One example of this cost reduction is how some cell phone companies will pay off the customer's existing balance.

¹⁵ Pick, Doreen, et al. „Customer win-back: the role of attributions and perceptions in customers' willingness to return.“ Journal of the Academy of Marketing Science 44.2 (2016): 218+.

¹⁶ Ibid

Win Them Back

The other major variable in winning customers back is **how long they have been away.**

When they have only been gone for a short period of time, “their general willingness to return is driven mostly by how the consumers rationalize the permanence (i.e., stability) of their reasons for defection.”¹⁷ Did they have a bad experience? The product they wanted wasn’t in stock? Those are easy issues to remedy and communicate with the customer about. A customer who has only been gone for a short time is just interested in knowing whatever issue they faced wasn’t something permanent. When a customer has not been back for a longer period of time, they may already think the issue is something more fundamental and will need more of a commitment from the business to return.¹⁸

Winning back customers can be a great way to drive more traffic to your business, but a one-size-fits-all solution won’t usually work. By segmenting customers based on the main factors that drive their general willingness to reactivate the relationship and how long they have been away, your business will be able to win back as many customers as possible.

¹⁷ Pick, Doreen, et al. „Customer win-back: the role of attributions and perceptions in customers’ willingness to return.” *Journal of the Academy of Marketing Science* 44.2 (2016): 218+.

¹⁸ Ibid

Drive Word Of Mouth

07

According to a recent Nielson survey, 77% of consumers are likely to buy a new product when learning about it from friends - so how can you get people to spread the word about your business?

Studies show that one of the main drivers of word of mouth is the customer's perceived value of a product or service.¹⁹ This means you can either increase the value of your offerings or increase your customer's perception of what you offer. To determine the value of something, "consumers synthesize a variety of information related to the product, such as the intrinsic and extrinsic attributes, objective price, and other emotions towards the brand."²⁰ Affecting how consumers perceive the value of your product or service could be as easy as decreasing the price or bundling something else with it, but not all businesses have the luxury of that extra margin.

¹⁹ Wang, Jerred Junqi, et al. „Modeling Environmental Antecedents of Online Word-of-Mouth on Team Social Media: A Perspective of Information Value.“ *Sport Marketing Quarterly* 29.2 (2020): 79+.

²⁰ Drayer, Joris, Stephen L. Shapiro, and Brendan Dwyer. „Worth the Price of Admission? The Mediating Effect of Perceived Value on Ticket Purchase Intention.“ *Sport Marketing Quarterly* 27.1 (2018): 44+.

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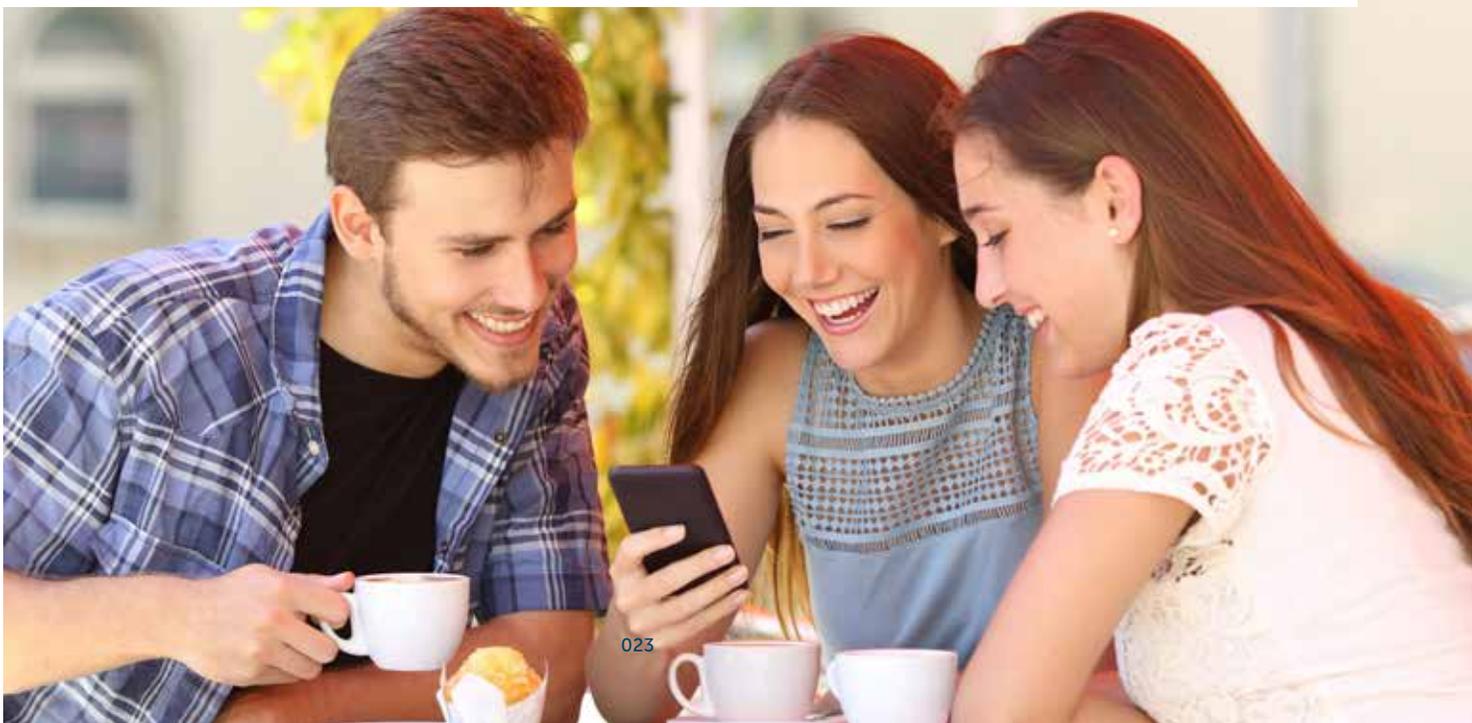


77% of consumers are likely to buy a new product when learning about it from friends.

Drive Word Of Mouth

If you can't change the price, then you can focus on the emotions or activities associated with your brand, looking to add value in a complementary way. For example, if someone is purchasing hiking gear, you could include links to resources about local hiking trails (or even put together your own guide to provide to customers). If someone is purchasing cooking equipment, find out what they like to cook and share some information they might find useful. Finding ways to subtly increase the quality of the customer's experience will have a direct impact on the perceived value.

Another option is to implement a referral or affiliate program. If your business has superfans, why not reward them for telling all of their friends about you? This is a great way to show that you appreciate your fans and recognize that they're helping out your business. Another option is to give out coupons for your fans to share with their friends. This could be as simple as giving customers a few extra coupons whenever they come by your store, or you could use a digital service like **ZOOO** to help distribute them.



08

Make It Convenient



Make It Convenient

When examining each of the factors that affect a customer's experience in-store, convenience is by far "the most dominating and determinant."²¹

In a nutshell, convenience is what drives a consumer's ability to decide promptly. Convenience is impacted by several factors, including knowledgeable associates, clear pricing, and logical displays.

Making sure your associates are up-to-date on all of the product knowledge is a key factor in convenience, and it can even overcome other inconveniences. Clear pricing is another easy way to make sure one's shopping experience is as seamless as possible. Rearranging the display or layout of your store or restaurant is the most expensive fix for an inconvenient experience, so this should only be done after attempting other simpler modifications.

While many brands are intensely focused on their venue's atmosphere, design, look, and feel, the most important factor is actually how convenient the store is. This is good news for businesses because it means improving the customer experience doesn't require a total overhaul. By focusing on smaller changes like investing a little more in educating associates about all of its products and specials, a business can have a large impact on the customer journey.

²¹ Sharma, Rishi Raj, and Neetu Sharma. „Influence of store atmospherics on retail store patronage: a study of apparels and lifestyle products.“ *Abhigyan* 34.2 (2016): 42+.

Be Consistent

09

To get people coming into your location, you have to be consistent - and consistency has been shown to pay off. "Three experiments demonstrate that a sequential display of price discounts is associated with more positive store patronage intentions."²² This means that instead of showing a 30% discount one time, it's more effective to first show a 10% discount, then a 20% discount, and, finally, the 30% discount. Even though the final discount is the same amount as originally planned, seeing the discount increase over time makes it feel different to the customer.

²² „Reports Summarize Psychology Findings from Miami University (All At Once or One At a Time? the Effect of Simultaneous Versus Sequential Discount Presentation On Store Patronage Intentions).“ Marketing Weekly News 29 Feb. 2020: 141.

Be Consistent

Consistency also helps your marketing get through to your customers. Instead of sending a one-time message to a larger audience, try sending out more messages to a smaller group. In the sales world, it typically takes at least 7 outreach attempts to get through to a prospect. Marketing works in a similar way, in that it will take more than one try to cut through the clutter.

In-Person Giveaway

10

Similar to a behavior-driven coupon, in-person giveaways are another great method of encouraging a specific action from a customer. There are many examples of different giveaway types, from samples in supermarkets to blood pressure testing in pharmacies, and they have been proven to help drive in-store traffic.²³

Like with other coupon and discount initiatives, **it's important to make sure that the value of what you've given away - even if it's just some of your time - is made up for in sales.** This means tracking the results, seeing if there was an increase in traffic from before offering the giveaway, and checking to make sure the profit margins have not changed much.

²³ McCann, Brian. „Supermarket R.Ph.s told how to draw traffic.“ Drug Topics 6 May 1996: 27+.

In-Person Giveaway



Conclusion

Getting customers to come to your business has always been a challenge. With increasing competition from e-commerce and shoppers' ever-changing habits, this challenge won't be going away anytime soon. However, having a physical location can still be a profitable asset for your business, and there are many ways to maximize its value.

The common thread among all of the different tactics to drive store traffic is the ability to rely on data. If you are using a one-size-fits-all approach and not tracking the results, it's unlikely that you are getting anywhere near the most out of your efforts. Different types of customers require different strategies, whether you are looking

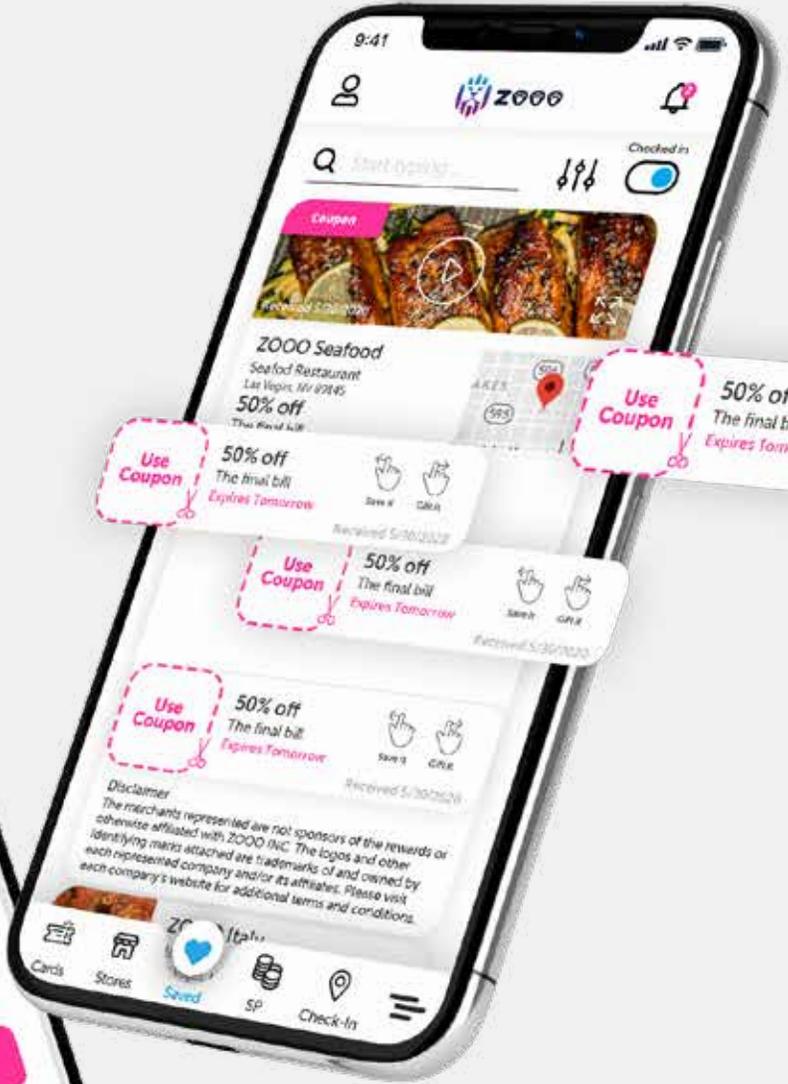
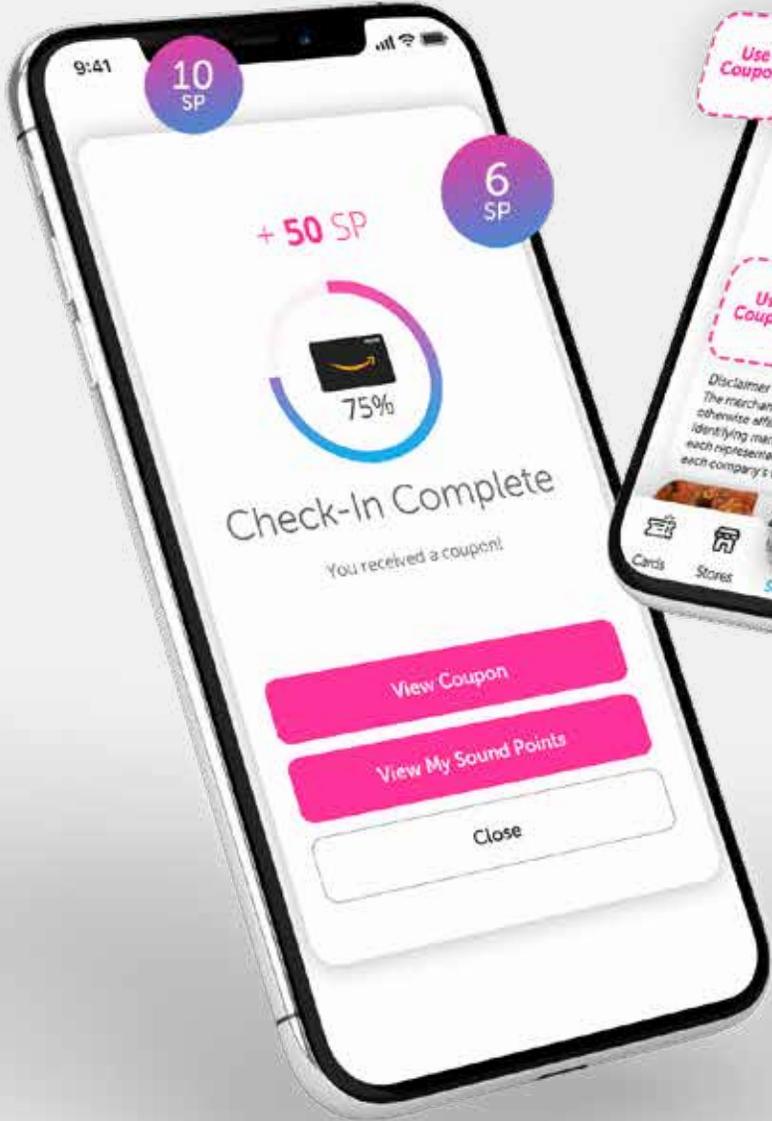
to win them back or drive behavior with a coupon.

Identifying the different customer profiles, customizing offers, and tracking the ROI can be a complicated process for any small-to-medium-sized business, but luckily there are affordable tools available that can help simplify it. At ZOOO, we specialize in helping you understand your existing customers and simultaneously connect with new ones. Using our proprietary AI-powered platform, we connect potential customers to your offers based on their interests, profile, and similarities they might have to your other customers. We then help you keep them coming back by rewarding them with incentives, like gift cards, for checking into your store!

15 SP

3 SP

25 SP



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10 Proven Ways

to increase traffic to your store

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