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# Sweet deal

Amid big players, this loyalty reward app helps small businesses to virtually connect with customers and attract the strategic shopper

For newlyweds Tassos Melas and Danielle Oron, the whole scenario — mixing the dough, the smell of just-baked cookies and the look on satisfied customers — was a dream come true.

But opening their mom-and-pop, milk-and-cookies-style bakery in the heart of the Beaches — a laid-back neighbourhood in east-end Toronto — also meant entering a highly competitive snacking market. Launched in 2011, Moo Milk Bar had to face off against established neighbourhood places such as Dufflet Pastries, located directly across the street and open since 1975, and Life Is Sweet, a local cupcake shop that has been in operation since 2007.

"In this industry, it's difficult to operate a new business," says Melas. **"You need every single advantage you can get."**

Recognizing the need to connect with the tight-knit community, Melas researched a number of rewards programs that could help engage customers. That's when he decided to sign up for Vicinity, a new turnkey solution owned by Rogers that helps small businesses establish customer rewards similar to those offered by larger companies.

Today, participating Moo Milk Bar customers receive one point for every \$5 spent, which happens to be

the exact price of a glass of milk and a cookie at the bakery. For every 10 points, they get a free cookie-and-milk combo, or they can save up to 20 points and receive half a dozen cookies for free.

But the rewards program does more than just entice customers. Vicinity by Roger's software, which works in tandem with the existing point-of-sale system of a business, also collects valuable data, helping entrepreneurs better understand patrons and their buying habits.

"Vicinity allows us to overcome the fact that we haven't been in business a very long time," says Melas. **"The way you bring customers back is by building relationships.** Vicinity allows us to do that by getting to know their names and what they order. It keeps those customers loyal."

The easy-to-use solution can also be implemented at a fraction of the cost involved in similar rewards programs that are used by large companies. Already, more than 150 Canadian small businesses are using the service to compete against major corporate loyalty programs.

According to the Canadian edition of the 2013 Maritz Loyalty Report, **78 per cent of Canadian consumers shop strategically to earn rewards points**, which can put businesses without rewards programs at a major disadvantage.



Setting up the Vicinity loyalty reward program was easy, and helped Moo Milk Bar begin engaging with their customers right away.

"A lot of small businesses want to get into the loyalty play, but typically it's very cost-prohibitive and very difficult for a small business to implement," says Fiona Lake Waslander, Vicinity by Roger's general manager. "That's where Vicinity comes in. It's a very simple, off-the-shelf loyalty platform that small businesses can [use and get themselves] up and running — literally within minutes."

It's also easy for customers, who only need one membership card to access a variety of rewards programs at small businesses across the country, plus they can use Vicinity's free app to check their rewards balances on Android and

iOS devices.

"Canadians are holding a lot of loyalty cards in their pockets," says Waslander. "They want to support all the small businesses that give them punch cards, but they're tired of having a wallet full of cards for all these different programs."

In fact, a recent Rogers-commissioned survey by Harris Devima revealed that 68 per cent of Gen Y's think it's important for small businesses to offer a loyalty rewards program.

Melas says that in the three-and-a-half months since he and his wife began using Vicinity, which was installed in less than 48-hours, **the program has already more than paid for itself.**