Loyalty Points in ClubRunner

OVERVIEW

Loyalty Points in ClubRunner are an addendum to any item that you sell, or usage of your facility. Think of Loyalty Points as “Frequent Flyer Miles”. The concept being that when items are purchased, or members use your facility, Loyalty Points can be given to that member. Then those Loyalty Points can be redeemed to buy any item that has a Loyalty Points purchase value. Some basic rules that you need to know:

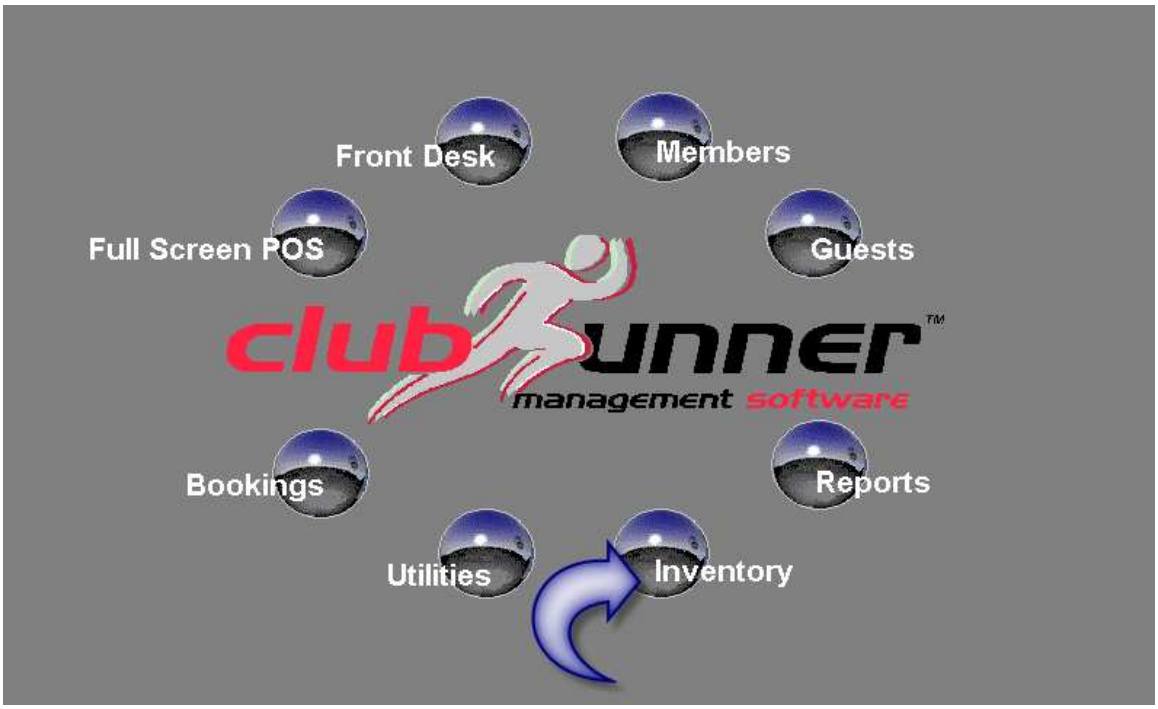
1) ***The purchase of a certain item does not have to generate Loyalty Points***. Example 1: I use my airline Frequent Flyer miles to fly from Florida to California, round trip. I don't receive any Frequent Flyer miles for that, as I have used Frequent Flyer miles to purchase this this flight. Example 2: I purchase a Personal Training Package of 10 sessions for $500. That package may give me 50 Loyalty Points, but I cannot use my Loyalty Points to purchase that same package (but I can use the Loyalty Points to purchase other items).

2) ***There is a minimum quantity to purchase to receive Loyalty Points.*** Typically, this quantity is set to 1. However, you can require Loyalty Points to be given out when 2,3,4 etc are sold at the same time. Example: Buying 1 protein shake does not yield any Loyalty Points, but buying 2 or more at the same time generates 10 points.

3) ***Loyalty Points don't have to be for everyone, they can be restricted to certain Membership Types or Groups.*** Some facilities are charging an additional monthly or annual fee and offer Loyalty Points (as well as other “bundled” services) to only those members.

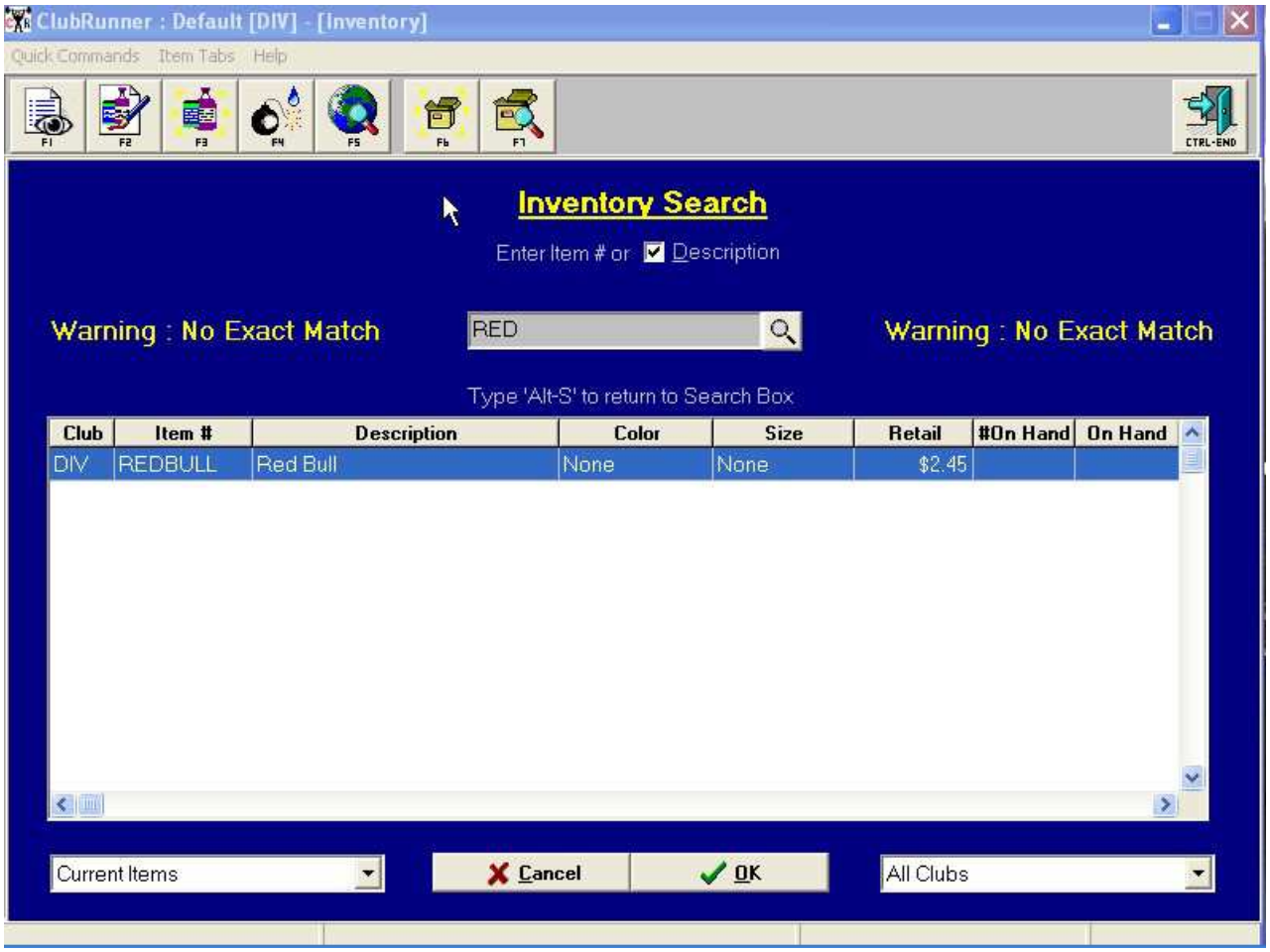
GETTING STARTED

From the Main Menu, enter into the ***Inventory Module***:



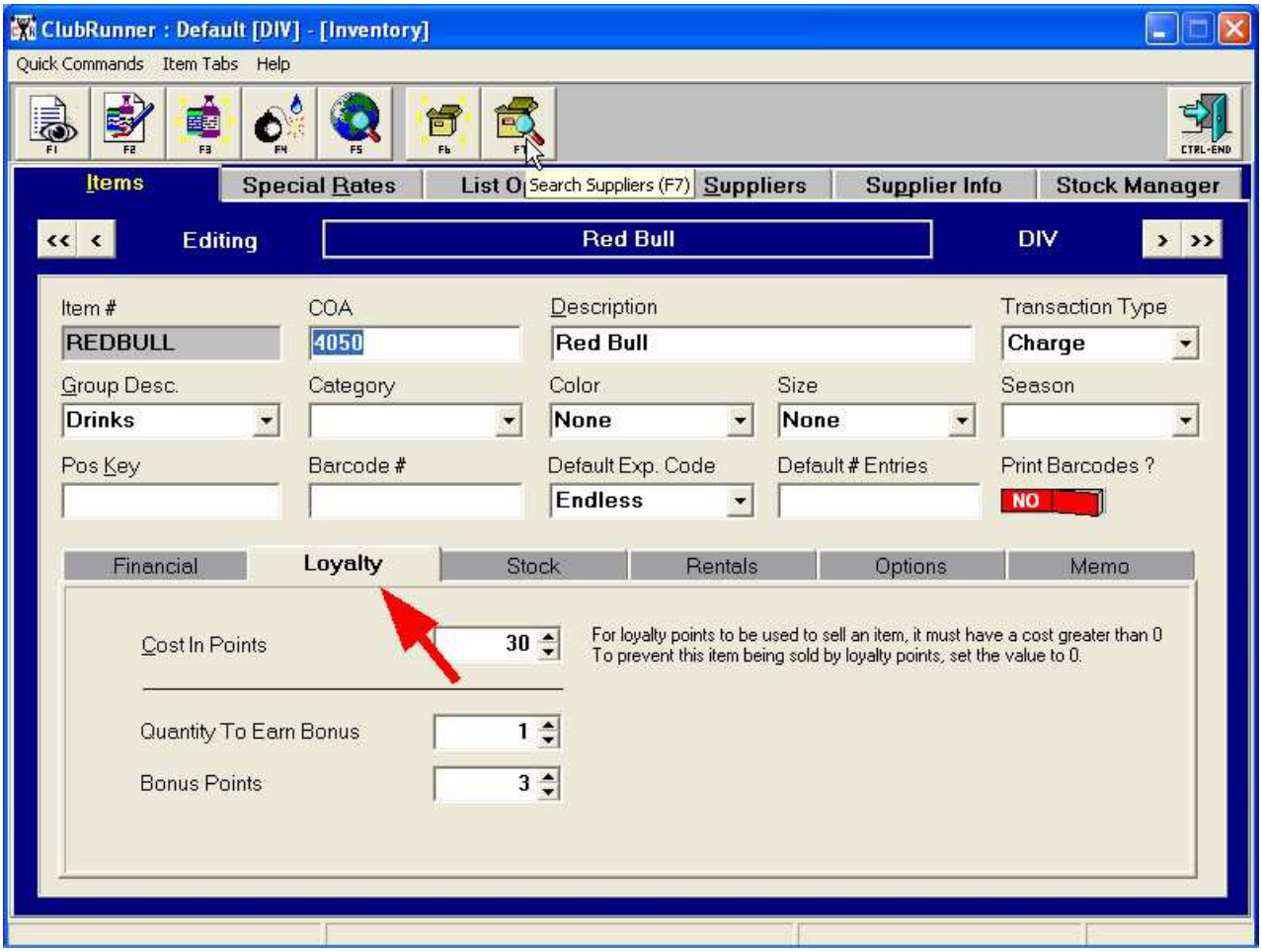
From the main Inventory screen, select ***Search Items (F5)***:

Find the item that you want to assign Loyalty Points to:

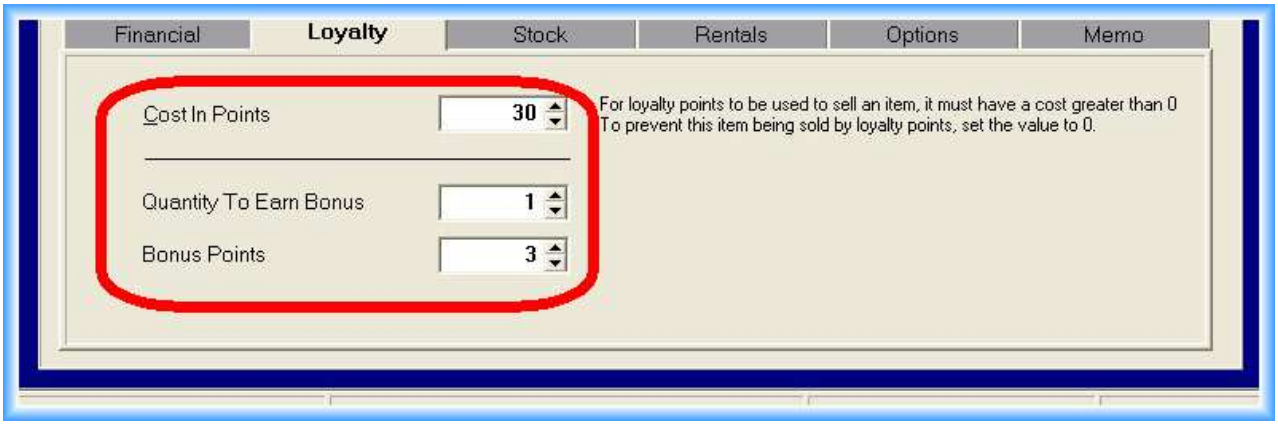


Select the item, and enter in to the ***Edit mode (F2):***

Click on to the ***Loyalty Tab:***



which will display...



In this example, we have already filled in the values for **Cost in Points**, **Quantity To Earn Bonus**, and **Bonus Points.**

The most difficult part of setting up any Loyalty Points system is determining:

1) Which items can be purchased with Loyalty Points (if not all).

2) The point scale used to determine how many points an item
   a) generates when it is sold.
   b) costs when purchased.

The following are some "concepts" to help you determine what is best for your facility. Remember, that the value of a Loyalty Point has no direct relationship the value of a dollar ($1).

Simple, Basic Approach

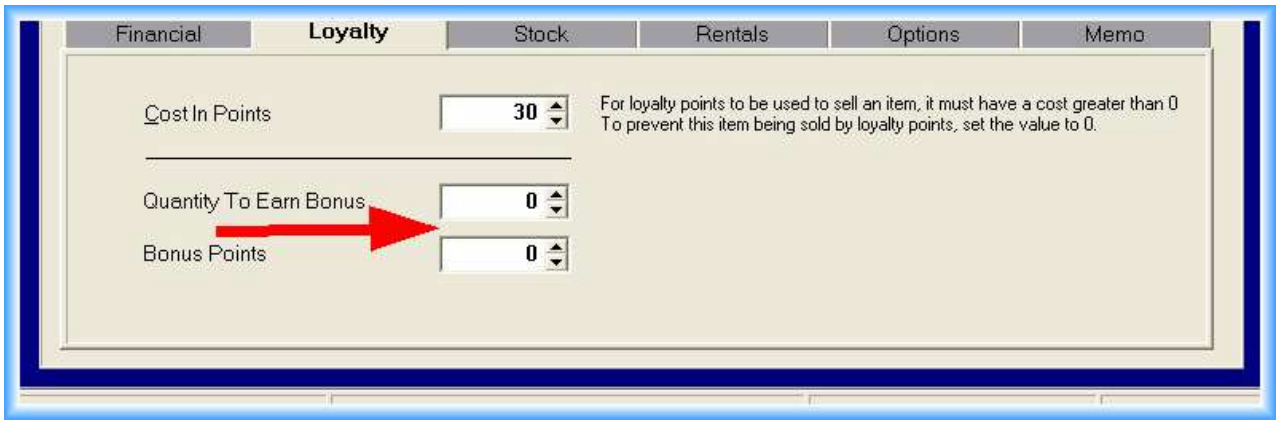
Determine a formula that equates Loyalty Points to dollars spent in your facility. In the example above, we have decided that for every $1 spent in our facility, the member receives a ten cent ($0.10) credit. Another way to look at this is ***Buy 10, get one free!***

Retail price:	$2.45
Cost in Points:	30
Quantity To Earn Bonus:	1
Bonus Points:	3

Ten percent (10%) of $2.45 is $0.25 (25 cents rounding up). ***You cannot assign "fractional" Loyalty Points, such as 25/100 or or ¼ of a point.*** To resolve this, we chose to multiply our point scale by a factor of ten (10). This keeps everything simple, with the numbers for **Cost in Points always being evenly divisible by ten (10)**. Each dollar purchased roughly equates to one (1) point, and we chose to always round up. So, a $2.45 sale yields **three (3) Bonus Points.**

Keep in mind that not all items need to be redeemable with Loyalty Points. Below is an example where when a Red Bull is purchased, it yields 3 points but Loyalty Points ***CANNOT BE USED*** to purchase a Red Bull.

Or, the opposite could be true, whereby an item may be purchased by Loyalty Points but does not generate any points upon it's sale...



A more Complex Approach

Not all items you sell are "created equal". Let's compare three (3) different items.

Item	**Retail Price**	**Cost in Points**	**Quantity To Earn Bonus**	**Bonus Points**	**Profit Margin**	**Profit in Dollars**
PT 1/2 Hour Group Level 5	$44.00	440	1	44	Low	$14.00
Red Bull	$2.45	30	1	3	Medium	$1.25
Protein Shake	$5.95	60	1	6	High	$4.00

The table is based upon our example using the "buy 10, get one free" premise. An adjusted table might look like this:

Item	**Retail Price**	**Cost in Points**	**Quantity To Earn Bonus**	**Bonus Points**	**Profit Margin**	**Profit in Dollars**
PT 1/2 Hour Group Level 5	$44.00	880	1	44	Low	$14.00
Red Bull	$2.45	30	1	3	Medium	$1.25
Protein Shake	$5.95	50	1	8	High	$4.00

You might want your members to use more points than the example "buy 10, get one free" rule to purchase those low Profit Margin items such as "PT 1/2 Hour Group Level 5". Those types of items may yield a higher profit per sale in dollars, but your costs are greater (paying the trainer). To redeem Loyalty Points for that item now will be "buy 20, get one free".

Opposite of that would be to encourage your members to redeem their Loyalty Points for those items that you make a high Profit Margin on. The "Protein Shake" now needs less points to purchase (buy 7, get one free). We did this by lowering the Cost in Points" as well as raising the Bonus Points. This type of high Profit Margin item is the type of item that most facilities usually want to encourage their members to purchase. If you have to give something away, it may as well be the items whose "hard" cost is the lowest.

Be Careful...

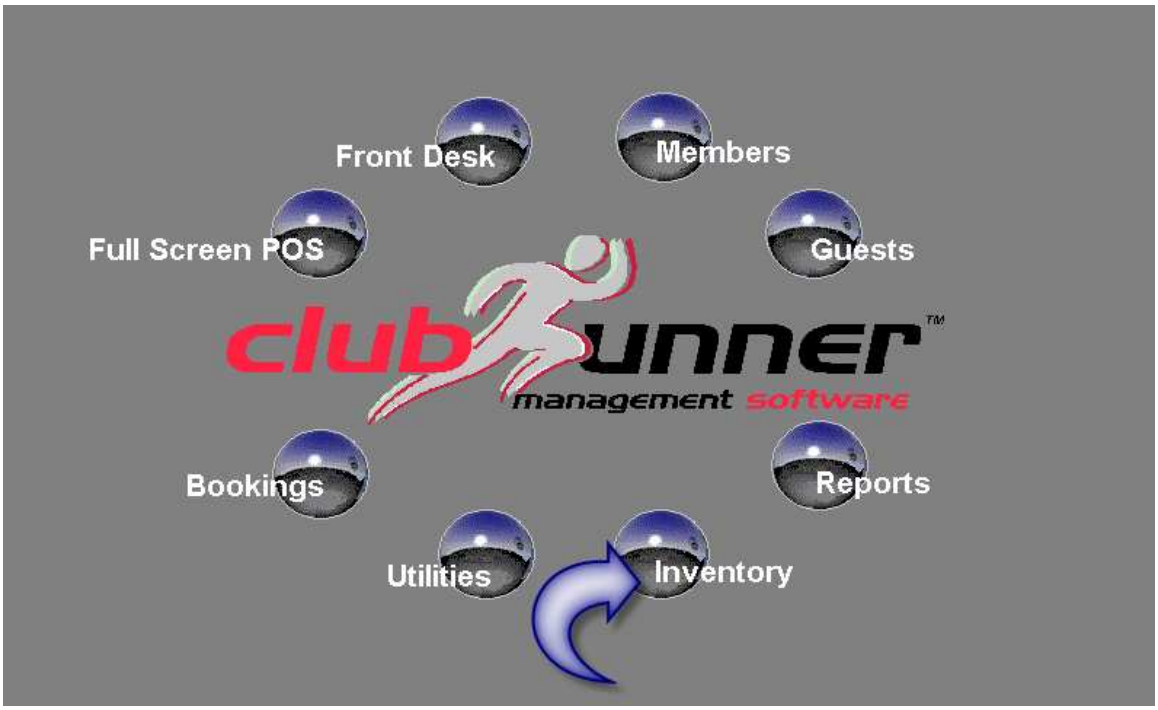
Using either of the examples above, if I purchased one (1) “PT 1/2 Hour Group Level 5” I would almost have enough points for a free shake. Not a bad incentive. And, the shake only costs your facility $2.00 in ingredients /labor/other hard costs. That's because we've spent the time to think about the relationships between everything we sell.

If there's items that you want to “blow out”, raise the **Quantity To Earn Bonus** from one to two or three at a time.

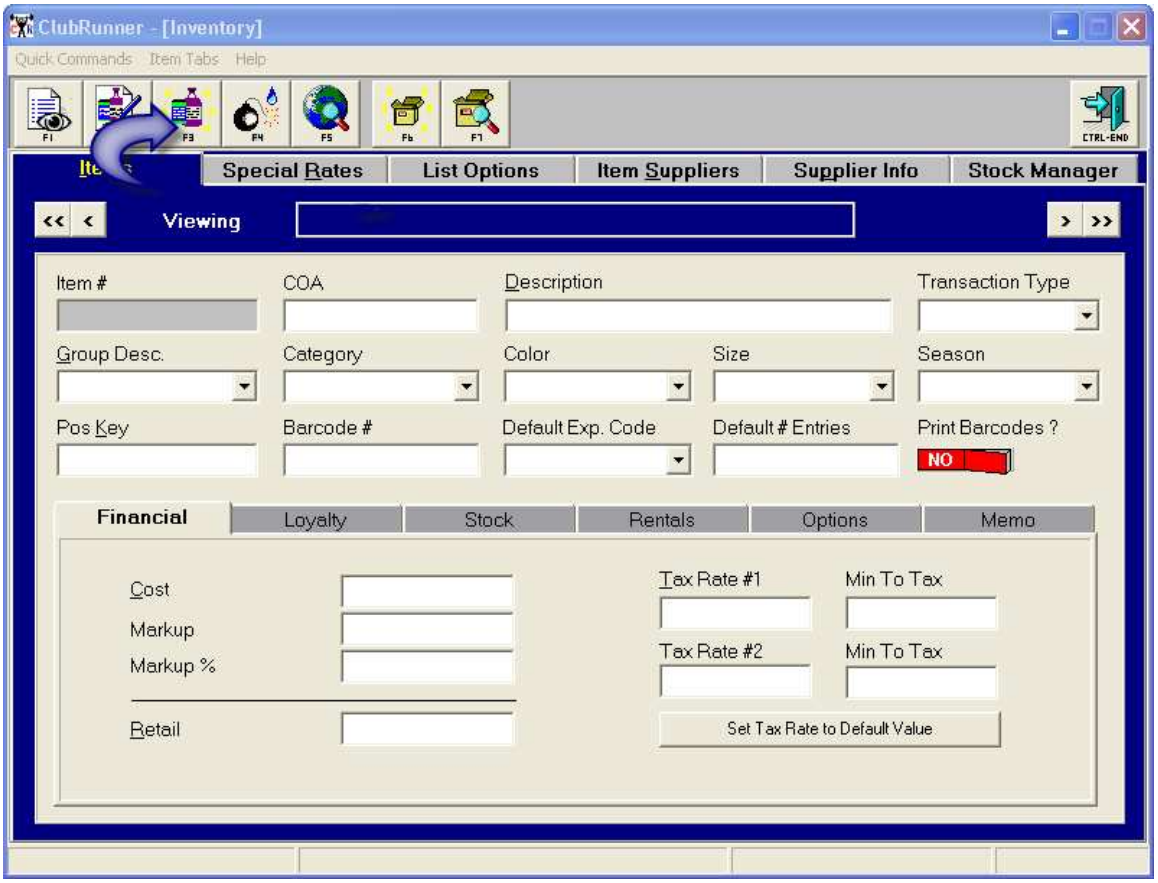
Before you try this

One last step, we'll need to create two (2) new Inventory items, one to adjust a member's Loyalty Points upwards and the other to adjust their points downwards. Here's how:

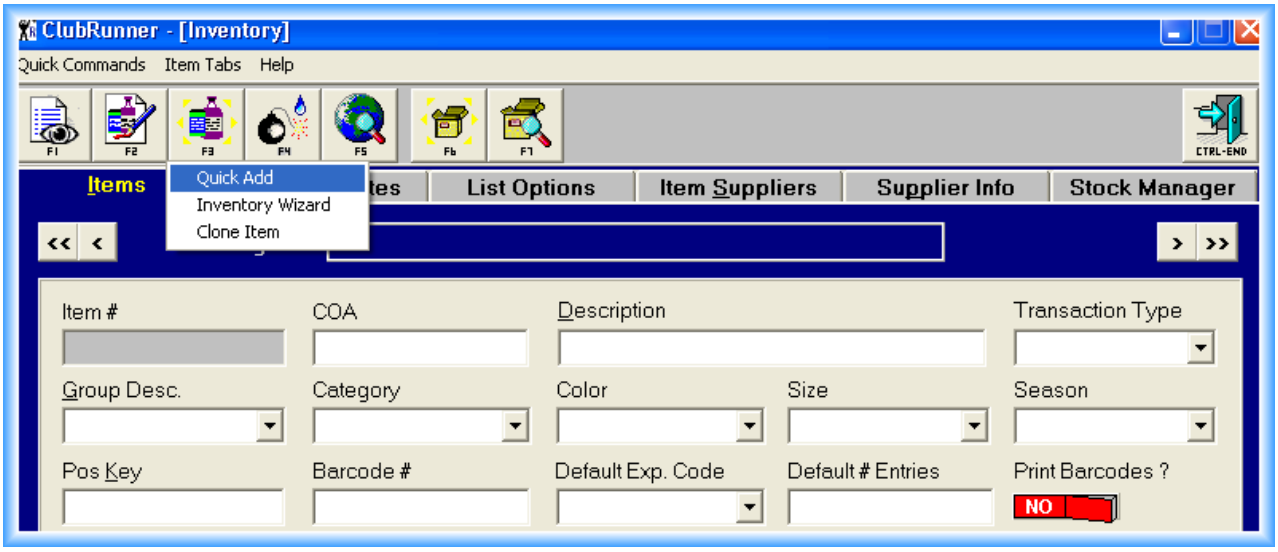
From the Main Menu, enter into the ***Inventory Module***:



From the main Inventory screen, select ***Add Item (F3)***:

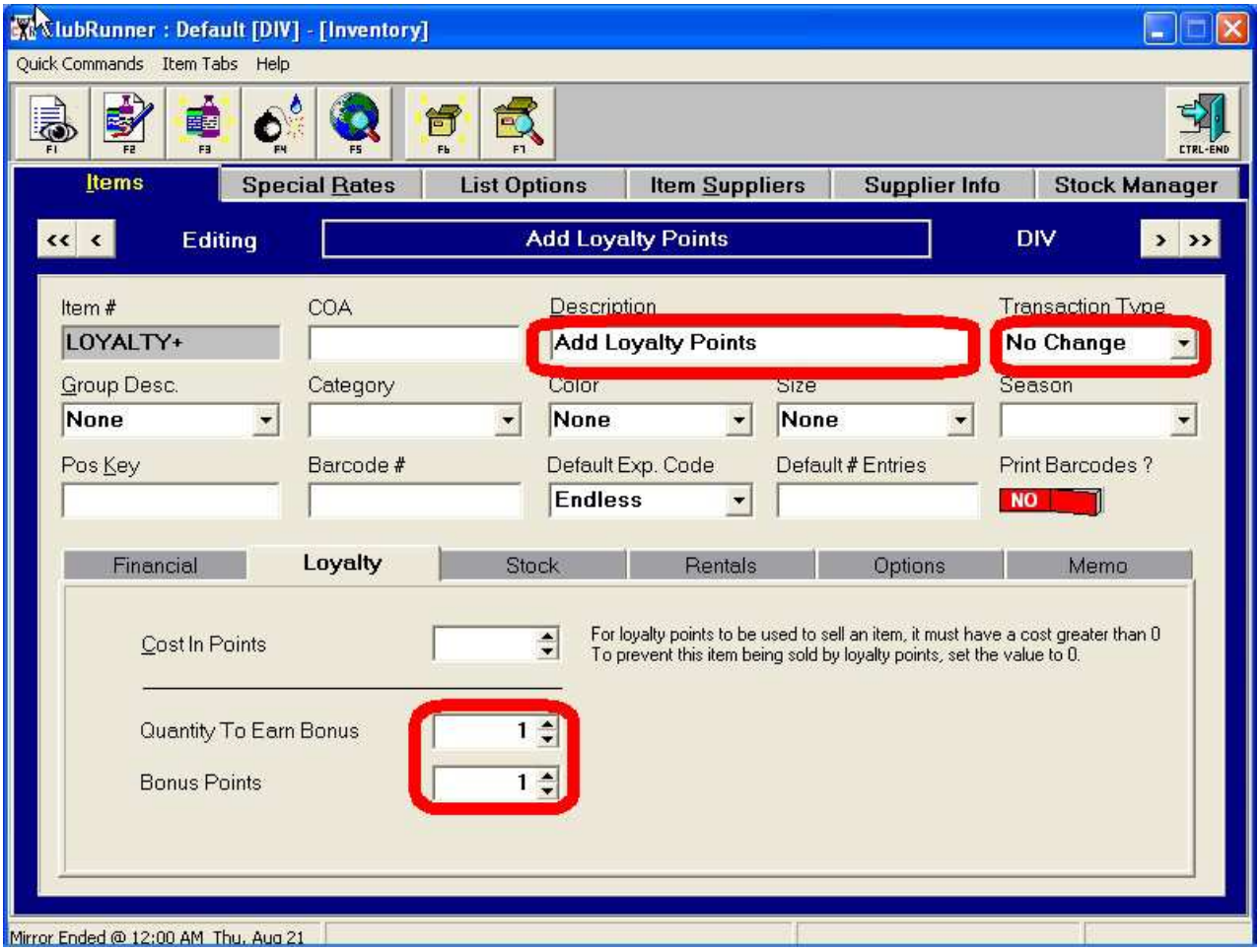


Then select ***Quick Add*** in the drop down window:



Work your way to the **Item #** Screen*:*

The item # entered is just a suggestion. Item numbers can be up to 10 digits, any characters. Try not to use spaces when entering an item number, as spaces will make that item more difficult to find when searching. This item number "LOYALTY+" we'll use to credit a member Loyalty Points. We'll do this by setting up the Loyalty Tab like this:

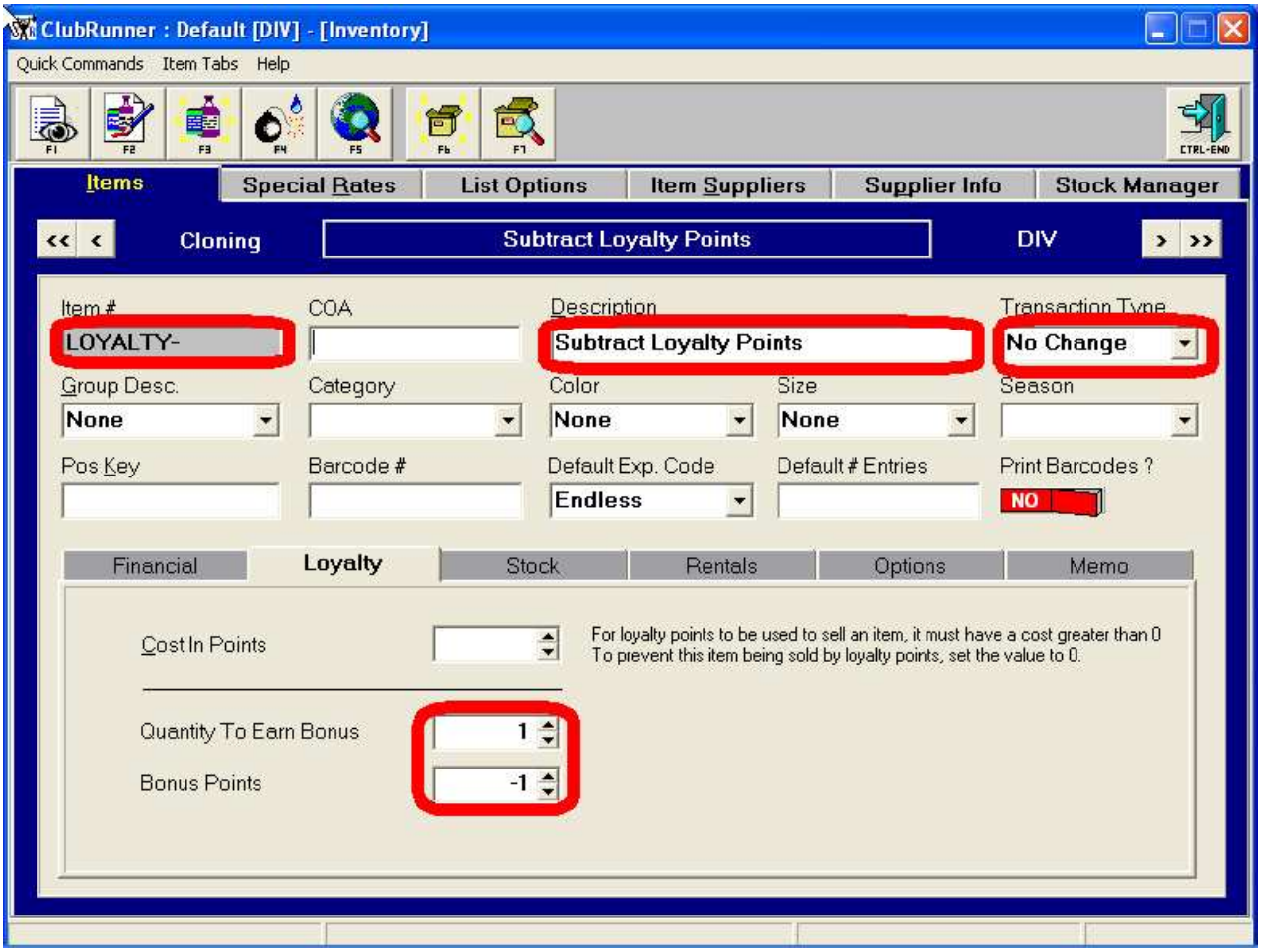


We gave our new item a full Description. Also, we made the Transaction Type a ***No Change***. That means that this transaction has no effect on the member's balance. We also set the ***Quantity To Earn Bonus*** and ***Bonus Points*** to one (1). So, if we wanted to "give" a member 50 Loyalty Points we would just post this item to their account with a quantity of 50.

Lastly, we need to set the Options tab.

Hide From Point of Sale is on because we don't want our front desk staff "selling" this item. Since those items can only be sold from the POS in the Members section, it is not necessary to turn on Track To Account.

Setting up a debit of Loyalty Points is almost identical...



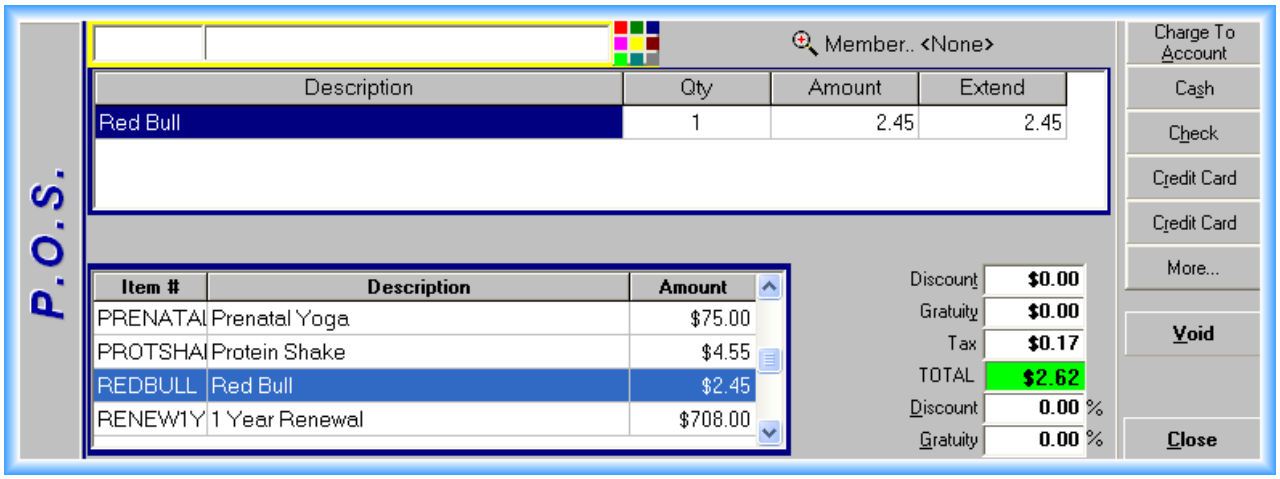
Don't forget to setup the Options Tab.

<u>The CR.INI file needs to be updated</u>

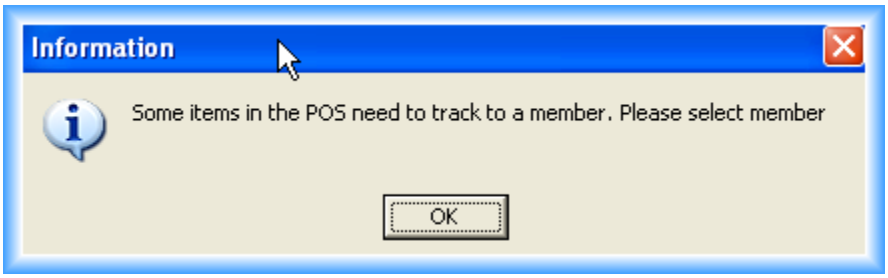
The ***CR.INI*** file controls various features in ClubRunner. On of those features is what payment methods you accept in Front Desk POS, Full Screen POS, Bookings POS and Members POS. At a minimum, you'll need to add ***Loyalty Points*** to the Front Desk POS. Please contact ClubRunner and we will gladly do this for you. ***If the Front Desk POS buttons are not modified, you won't be able to use Loyalty Points to purchase items.***

Putting it all together

First, we'll sell an item using the standard POS (Loyalty Points work in all ClubRunner POS systems). We're also using the "Basic" Loyalty Points setup described previously (buy 10, get one free).

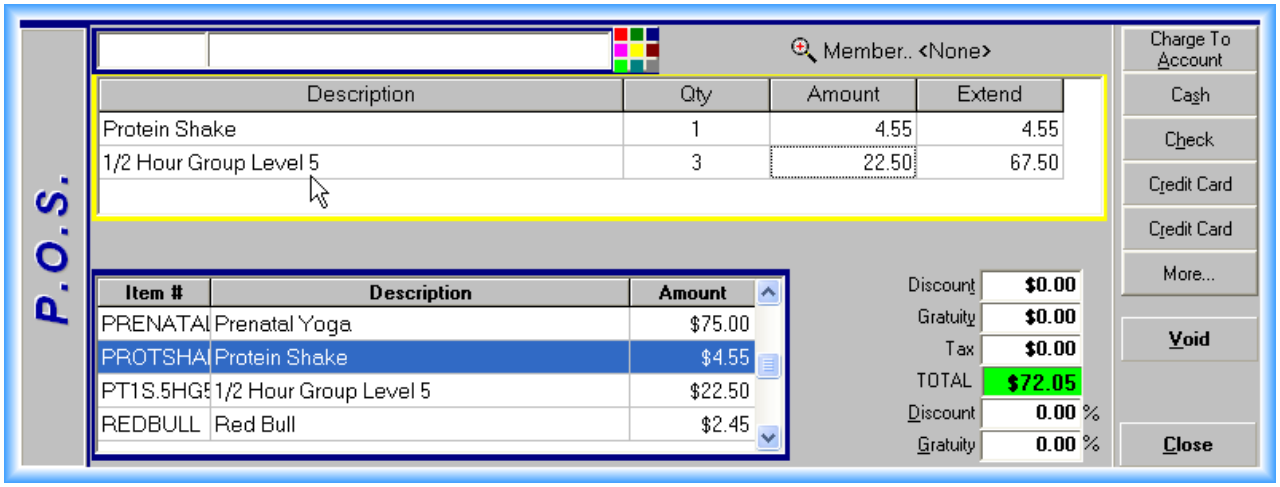


We'll buy our Red Bull using "cash" and eventually we'll see this screen:

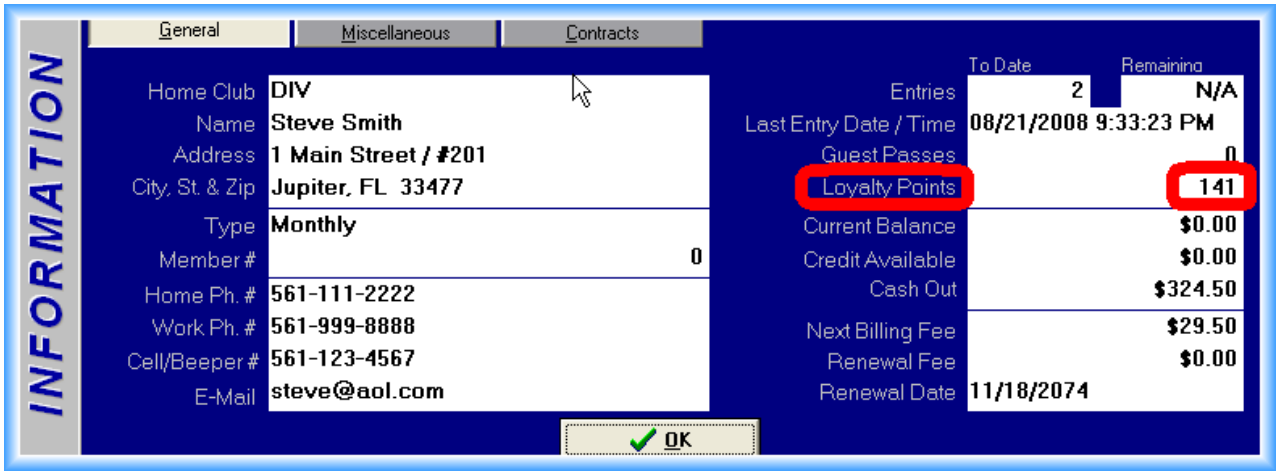


You'll need to identify the member making the purchase to credit the Loyalty Points. When the sale is consummated, the member's info in the Front Desk might look like this:

Now we're going to purchase three (3) PT ½ Group Level 5 training sessions and a Protein Shake:



Once the sale is completed (for Steve Smith), a quick check of the member's info reveals:

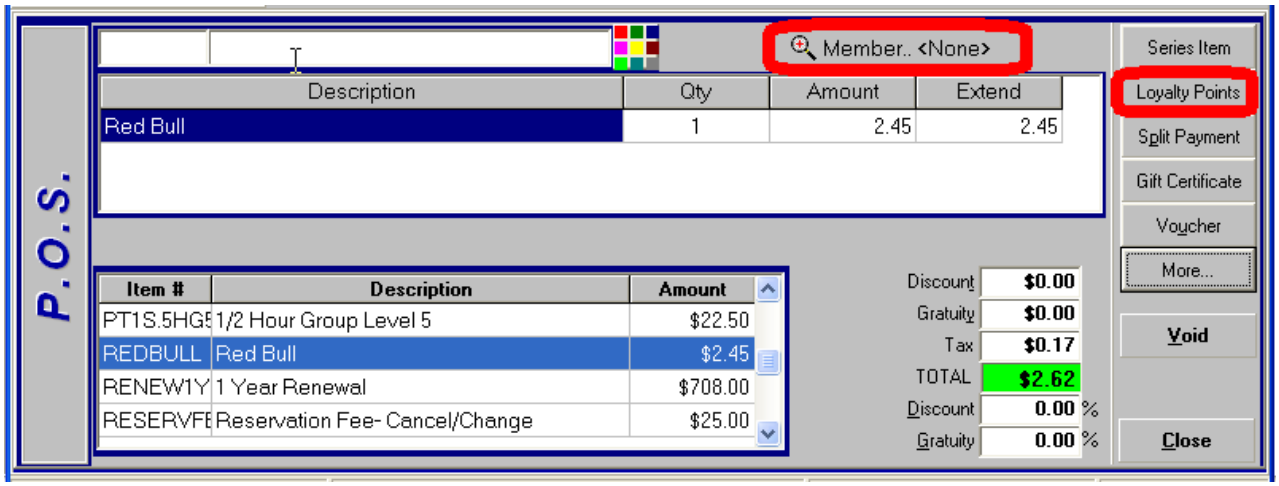


Steve's very thirsty, and he's going to purchase another Red Bull. He also wants to show you what his printed receipt looks like:

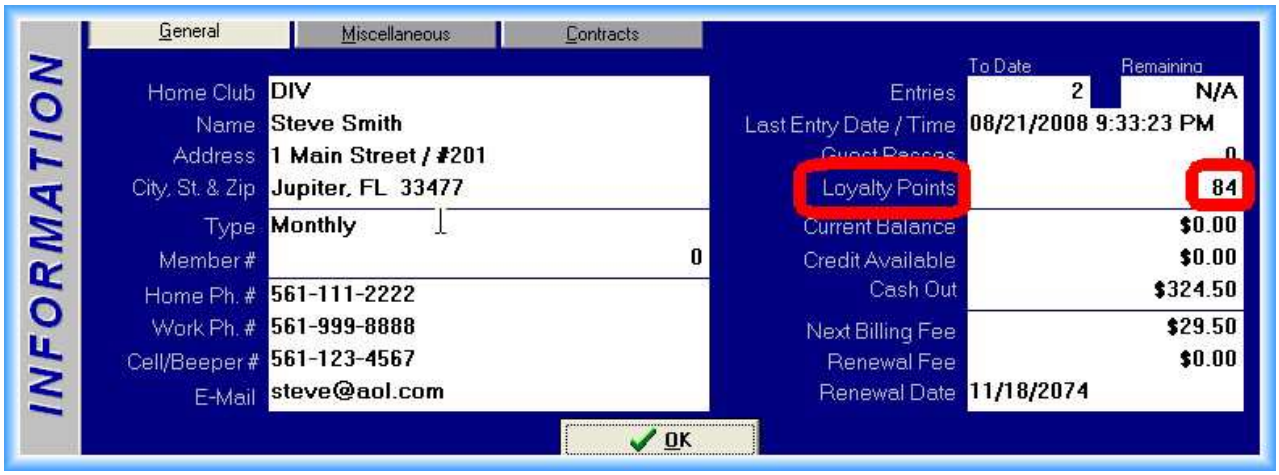
```
ClubRunner Fitness
561-746-3392

August 21, 2008 10:23:37 pm
                Steve Smith    Acct #349
                               Member #0
=====================================

Item #REDBULL
 1 Red Bull                        $2.45
=====================================
             Subtotal:             $2.45

                 Tax:              $0.17

               TOTAL:              $2.62

Paid by: Cash

                        Paid:      $2.62
                      Change:      $0.00

Receipt number : 8301

*************************************
      Loyalty Points Total : 144
*************************************
              Thank You
```

Using Loyalty Points to purchase an item

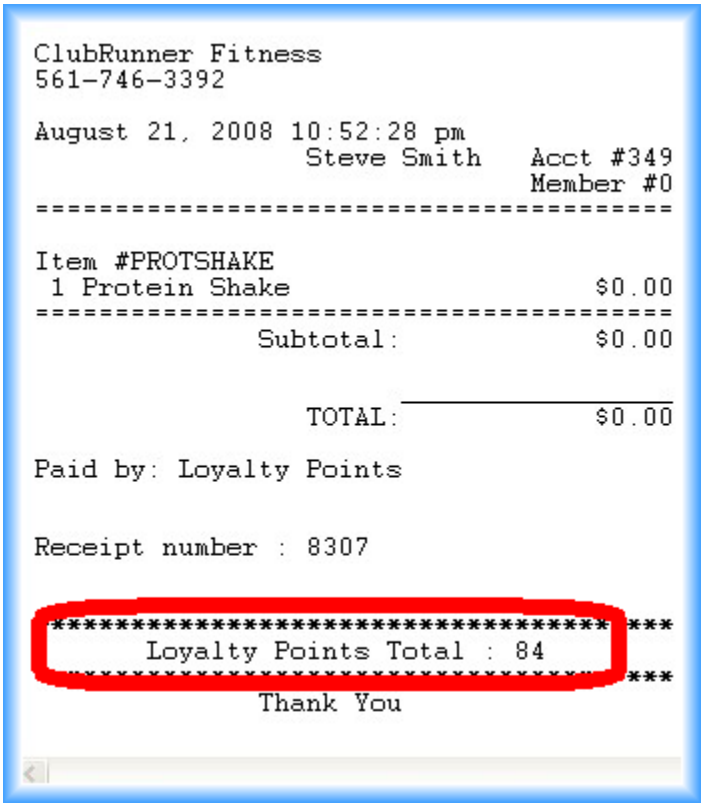
Start a sale, and select the member that is redeeming points. Use the "**More...**" button to navigate your way to the **Loyalty Points** button. Finish the sale.



Now Steve Smith's info page looks like:



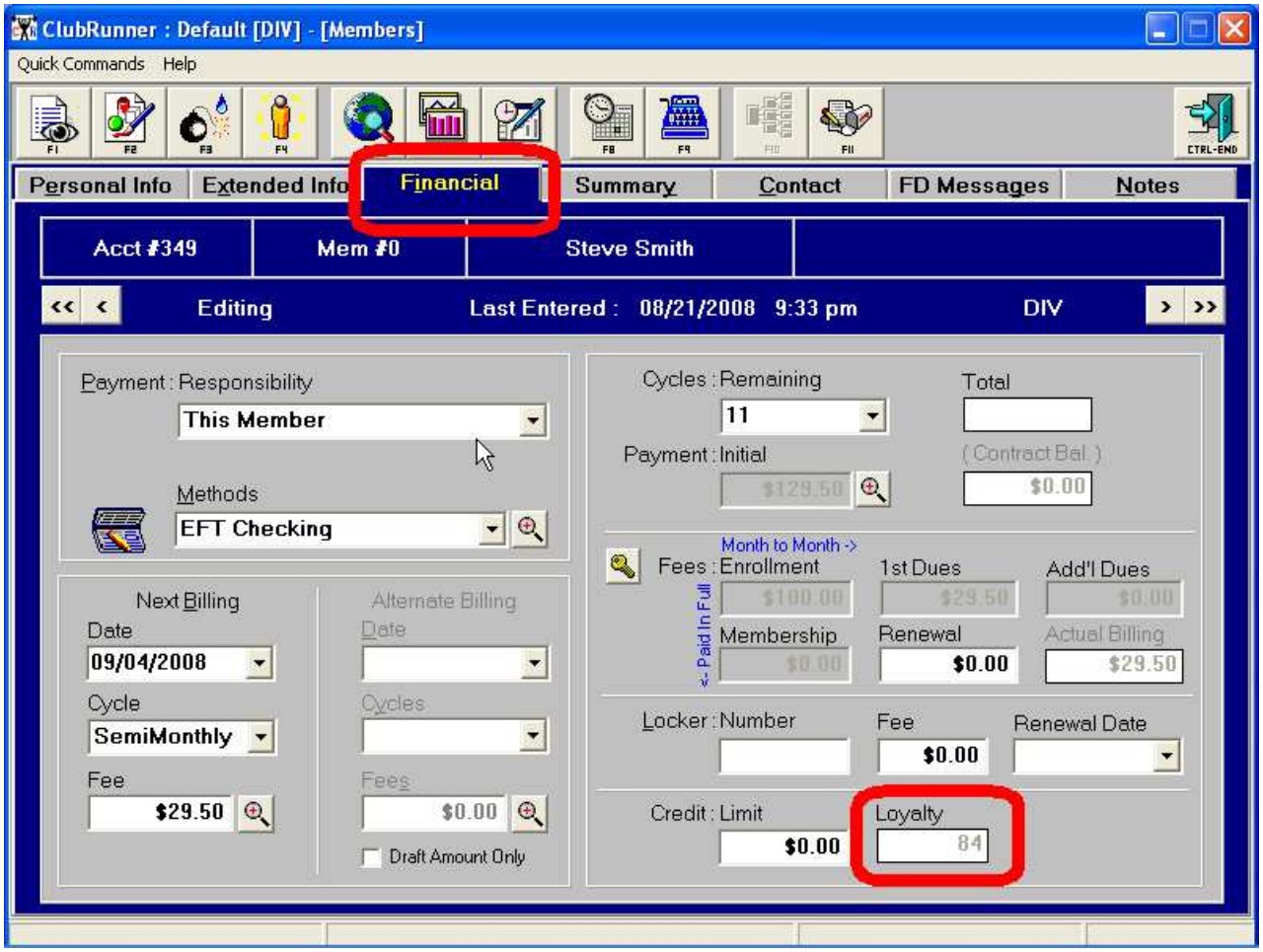
The receipt would look like this:



```
ClubRunner Fitness
561-746-3392

August 21, 2008 10:52:28 pm
                 Steve Smith    Acct #349
                                Member #0
========================================

Item #PROTSHAKE
 1 Protein Shake                    $0.00
========================================
              Subtotal:             $0.00

                 TOTAL:             $0.00

Paid by: Loyalty Points

Receipt number : 8307

*************************************** ***
      Loyalty Points Total : 84
*************************************** ***
              Thank You
```

What's going on in the Member's Module?

Let's look at Steve Smith's ***Financial tab*** first:



Proceeding to his ***Transaction Details*** page, we see:

Current Balance $0.00 Cash Out $324.50 Future Billing Amount $29.50

Applied	Time	Qty	Description	Pmt. Method	Charge	Payment	Adjust
08/21/08	10:52 P	1	Protein Shake	Loyalty Points	$0.00	$0.00	$0.00
08/21/08	10:52 P	1	Dec Points		$0.00	$0.00	$0.00
08/21/08	10:43 P	1	Red Bull	Cash	$2.62	($2.62)	$0.00
08/21/08	10:43 P	1	Inc Points		$0.00	$0.00	$0.00
08/21/08	10:10 P	1	Protein Shake	Cash	$4.55	($4.55)	$0.00
08/21/08	10:09 P	3	1/2 Hour Group Level 5	Cash	$67.50	($67.50)	$0.00
08/21/08	10:09 P	1	Inc Points		$0.00	$0.00	$0.00
08/21/08	09:34 P	1	Red Bull	Cash	$2.62	($2.62)	$0.00
08/21/08	09:34 P	1	Inc Points		$0.00	$0.00	$0.00
				Totals	$77.29	($77.29)	$0.00

Delete Summary / Monthly Overview Previous Transaction Next Transaction

Notice the sales of items are followed by either a "***Inc Points***" transaction (Inc = Increase) or a "***Dec Points***" transaction (Dec = Decrease). Scrolling further out to the right, we see:

Current Balance $0.00 Cash Out $324.50 Future Billing Amount $29.50

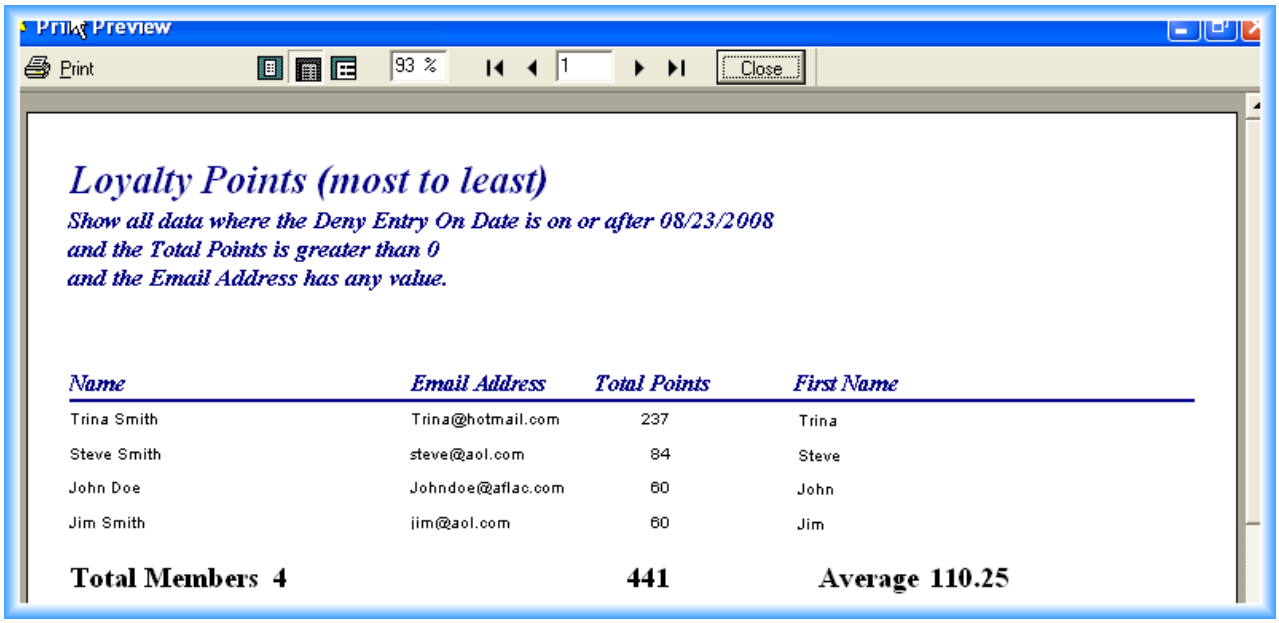
N/C	Entered	User	Description	Extended Info
$0.00	08/21/08	JP	Protein Shake	
($60.00)	08/21/08	MAS	Dec Points	POS Sale
$0.00	08/21/08	JP	Red Bull	
$3.00	08/21/08	MAS	Inc Points	POS Points
$0.00	08/21/08	JP	Protein Shake	
$0.00	08/21/08	JP	1/2 Hour Group Level 5	
$138.00	08/21/08	MAS	Inc Points	POS Points
$0.00	08/21/08	JP	Red Bull	
$3.00	08/21/08	MAS	Inc Points	POS Points
			Totals	$77.29 ($77.29) $0.00

Delete Summary / Monthly Overview Previous Transaction Next Transaction

Loyalty Points accrued or used are preceded by a $ sign, although they are not real dollars. You see the three (3) points gained for each of the Red Bull's purchased. Note the ***Inc Points*** in the Description column & ***POS Points*** in the Extended Info column. The purchase of the Protein Shake using Loyalty Points is shown by a negative sixty (-60) with a ***Dec Points*** for the Description and a ***POS Sale*** for the Extended Info**.**

What's left to do?

Not much, just start rewarding your members with Loyalty Points. Here are some examples of reports that you generate:



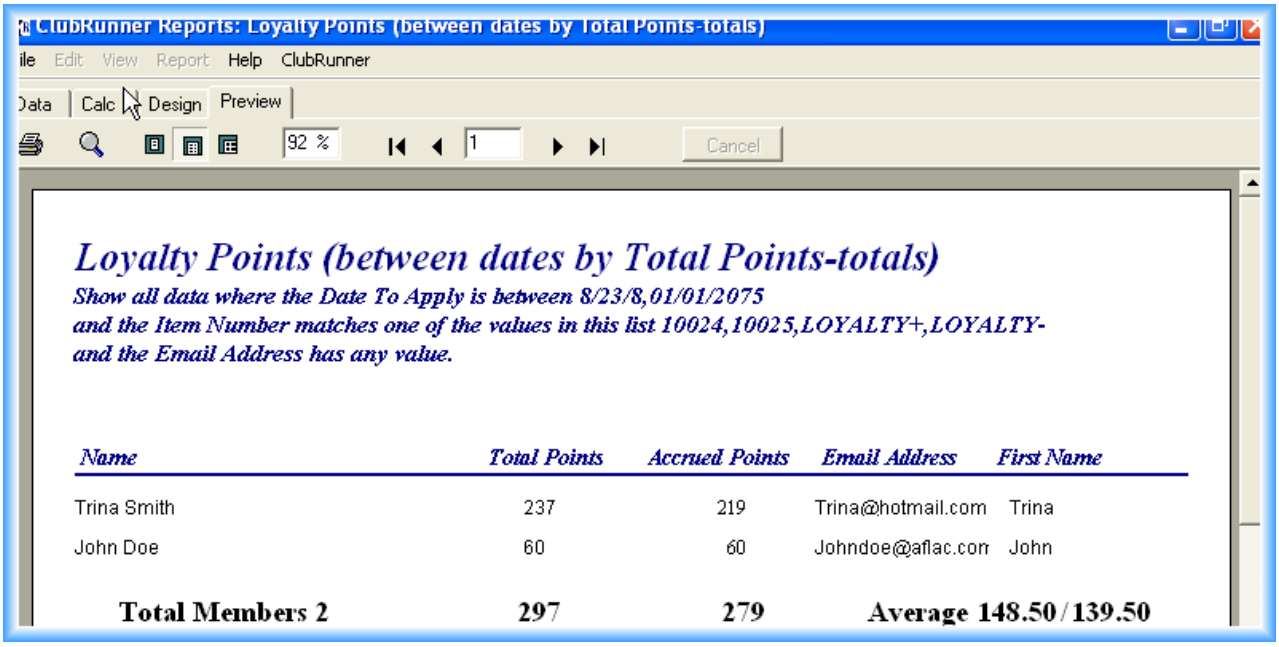
Print Preview

Print 93 % 1 Close

Loyalty Points (most to least)

Show all data where the Deny Entry On Date is on or after 08/23/2008
and the Total Points is greater than 0
and the Email Address has any value.

Name	*Email Address*	*Total Points*	*First Name*
Trina Smith	Trina@hotmail.com	237	Trina
Steve Smith	steve@aol.com	84	Steve
John Doe	Johndoe@aflac.com	60	John
Jim Smith	jim@aol.com	60	Jim
Total Members 4		**441**	**Average 110.25**



ClubRunner Reports: Loyalty Points (between dates by Total Points-totals)

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Data Calc Design Preview

92 % 1 Cancel

Loyalty Points (between dates by Total Points-totals)

Show all data where the Date To Apply is between 8/23/8,01/01/2075
and the Item Number matches one of the values in this list 10024,10025,LOYALTY+,LOYALTY-
and the Email Address has any value.

Name	*Total Points*	*Accrued Points*	*Email Address*	*First Name*
Trina Smith	237	219	Trina@hotmail.com	Trina
John Doe	60	60	Johndoe@aflac.com	John
Total Members 2	**297**	**279**	**Average 148.50 / 139.50**	

ClubRunner Reports: Loyalty Points (redeemed between dates-details)

File Edit View Report Help ClubRunner

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92 % 1 Cancel

Loyalty Points (redeemed between dates-details)

Show all data where the Date To Apply is between 8/21/8,01/01/2075
and the Payment Method 1 is equal to Loyalty Points
and the Item Number is equal to 10025
and the Email Address has any value.

Name	Qty	Description	Receipt#	Total Points	Points Used	Email Address	First Name
Steve Smith				**84**		steve@aol.com	Steve
08/21/08 10:52:28 PM	1	Dec Points	8307		-60		
08/21/08 10:52:28 PM	1	Protein Shake	8307		0		
					-60		
Trina Smith				**237**		Trina@hotmail.com	Trina
08/23/08 03:18:07 PM	1	Dec Points	8320		-60		
08/23/08 03:18:07 PM	2	Red Bull	8320		0		
					-60		
Total Members 2				**321**	**-120**	**Average 160.50/-60**	

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Print Preview

Print 93 % 1 Close

Loyalty Points (redeemed between dates-totals)

Show all data where the Date To Apply is between 8/21/8,01/01/2075
and the Payment Method 1 is equal to Loyalty Points
and the Item Number is equal to 10025
and the Email Address has any value.

Name	Total Points	Points Used	Email Address	First Name
Steve Smith	84	-60	steve@aol.com	Steve
Trina Smith	237	-60	Trina@hotmail.com	Trina
Total Members 2	**321**	**-120**	**Average 160.50/-60**	

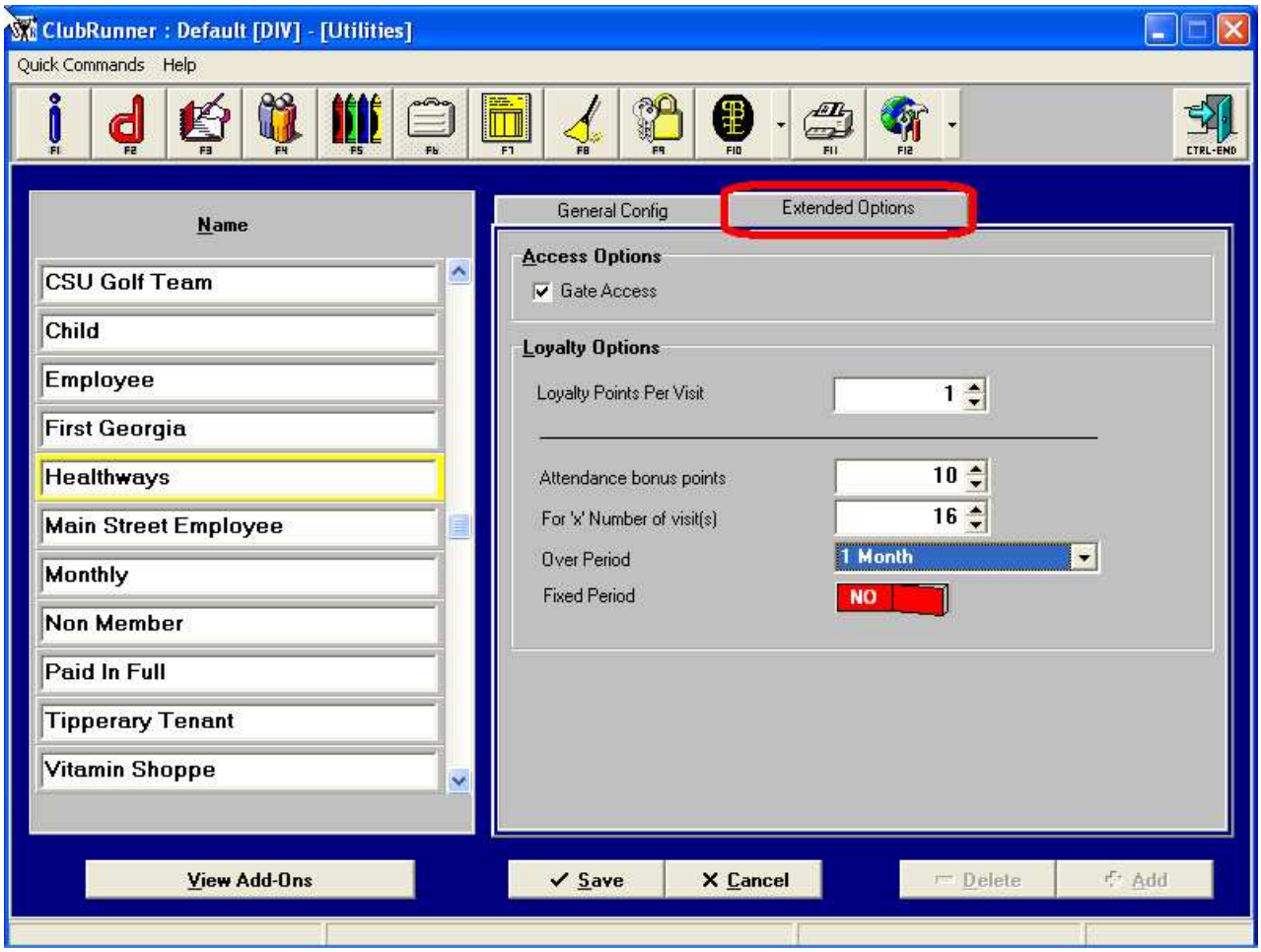
Notes:

- Loyalty Points can be given only to certain designated Membership Types or Groups. For example, maybe only the "VIP" membership type can accrue Loyalty Points. This is similar to certain credit cards rewarding points, whereas others do not. Some facilities that implement this "selective" Loyalty Points, charge those membership types a monthly fee for this "privilege". They may bundle this with other services. Example:

  For an additional $20 more per month on top of their normal dues, the "VIP" membership includes:

  - Loyalty Points
  - Towel Service
  - 10% discount on certain purchases
  - 1 group training session

- Loyalty Points can also be disbursed based upon attendance during a period of time. This is set up in the Utilities section of ClubRunner:



You must be EXTREMELY CAUTIOUS if you implement this type of reward system. The "concept" is a good one, however, it really is to add extra incentive to your new members or those members that you really want to motivate. Activating this option can/will have the added effect of disbursing Loyalty Points to your regular members, who don't need incentive to come to your facility!