Executive Briefs

Repeat-purchase program: the traditional method against the *local digital engine* at Masterestaurant

By **Diego F. Parra** · Updated 2026-09-09 · Marketing & Growth

QUICK VERDICT

A profitable repeat-purchase program does not live on a punch card: it lives inside the local digital engine that already brings the guest in. The card rewards whoever was coming back anyway and gives away margin; the engine —a live Google Business Profile, 5-star reviews worked on purpose, first-party ordering instead of a third-party app, SMS to a geotargeted list— raises frequency without touching price. The unit economics gap is brutal: guests ordering on first-party platforms put 35% more items per check than on third parties (Paytronix, 2024), and SMS opens at 98% (Constant Contact, 2024) while restaurant email clicks at 1.06% (Mailchimp, 2025). Verdict: the discount is the last resort, never the program.

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Average restaurant retention sits near 55% (Restroworks, 2025), and that single number decides whether your break-even lands on day 18 of the month or on day 27, because every returning guest walks in with zero acquisition cost and an already educated check. Most owners arrive at the repeat-purchase conversation from the wrong side: they ask what discount to run, when the boardroom question is what it costs today to bring back somebody who already knows the house, and which channel does it cheapest.

The local digital engine rewrote that math. Yelp reports that 57% of users contact or visit a business within 24 hours of seeing it (Yelp, 2026), which means online reputation is not a passive window but a visit trigger with a short fuse, and a repeat-purchase program that ignores Maps, reviews and the delivery algorithm is fighting with one hand tied. Diego F. Parra has spent twenty years walking into kitchens and boardrooms across 43 countries, and the pattern repeats: the house that measures repeat purchase by channel negotiates differently with platforms, with rent, and with its own menu.

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	TRADITIONAL METHOD (PUNCH CARD AND DISCOUNT)	MASTERESTAURANT LOCAL DIGITAL ENGINE
Guest retention (12 months)	✕ ~55% sector baseline (Restroworks, 2025), no channel attribution	✓ Target of 65-70% with cohorts measured by source channel (baseline: Restroworks, 2025)
Digital check size	✕ Third-party app ordering, index 100 (Paytronix, 2024)	✓ First-party ordering: 35% more items per check (Paytronix, 2024; Lightspeed, 2025)
Effective reach of the win-back message	✕ Restaurant email: 43.6% open, 1.06% click (Stripo, 2025; Mailchimp, 2025)	✓ Geotargeted SMS: 98% open, 18% click (Constant Contact, 2024; Tabular, 2025)
Direct-channel response	✕ 6% response on email (Omnisend, 2025)	✓ 45% response on SMS to an owned list (Omnisend, 2025)
Geotargeted media conversion	✕ Generic media with no repeat-purchase segment and no benchmark	✓ 7.1% average Google Ads conversion for restaurants and food (WordStream, 2025)
Incentive cost against contribution margin	✕ Flat 15-20% discount for anyone showing the card	✓ Non-monetary incentive with controlled breakage: ~6% of gift-card value goes unredeemed (Capital One Shopping, 2026)
Discovery feeding the first visit	✕ Word of mouth and signage, unmeasured	✓ 38% of Gen Z discovery happens on TikTok (Toast, 2026); 51% of its users dine out because of content (Restroworks, 2025)

	TRADITIONAL METHOD (PUNCH CARD AND DISCOUNT)	MASTERESTAURANT LOCAL DIGITAL ENGINE
Exposure to deal-driven traffic	✕ Competing inside the 29% of traffic already dining on some kind of offer (Circana, 2025)	✓ Competing on frequency and convenience; value menus grew +1% while total traffic fell 1% (Circana, 2025)

1. What decides whether a repeat-purchase program returns margin or burns it?

The channel the guest comes back through decides it, not the reward you hand over.

With average restaurant retention at 55% (Restroworks, 2025), half your revenue depends on people who already know the house, and that half arrives by routes with very different costs: a guest ordering on your own online channel buys 35% more items per check than one coming through a third-party app (Paytronix, 2024), so rewarding both visits equally gives away margin on the expensive one. The boardroom mistake I see repeated is arguing about the discount percentage before knowing which channel brought the previous visit. Order the MEASUREMENT by channel first, the incentive second. A program without that traceability is not a program: it is a promotion with a card attached. In the band under 500 thousand dollars a year the decision is to skip the points program and build a LIST. The operating threshold is plain: if your permission-based contact base does not reach 800 names, any loyalty platform charges more than it returns, because the redeemer will be the guest who was coming anyway.

2. Under 500 thousand a year: no points, one list and one channel

Collect phone and email at the register and on your own ordering channel, then work the send. SMS opens near 98% and gets read in one to three minutes (Constant Contact, 2024), with 18% click-through (Tabular, 2025); restaurant email sits around 43,6% open (Stripo, 2025) but barely 1,06% click (Mailchimp, 2025). At small volumes SMS wins outright and demands no new software. Rule: two sends a month, none of them a flat discount. Between 500 thousand and 1 million, the investment that pays back first is the local profile, not the stamp system. Some 57% of Yelp users contact or visit a business within 24 hours of seeing its page (Yelp, 2026), and four out of five arrive already in buying mode (Yelp, 2026): that is a window of hours, not a brand campaign. Update the listing, fresh photos every month, an answer to every review inside 48 hours, and only then measure how many returning guests came from there.

3. From 500 thousand to 1 million: the local engine before the punch card

My threshold for moving to formal loyalty is 2.500 identified guests and 25% of sales through owned channels. Below that, a points program adds friction at the register and accounting noise without moving frequency at all. A 20% discount does not cost 20%: it takes almost half the dish's contribution margin. At 30% food cost, every dollar sold leaves 0,70 of gross margin; cut 0,20 and margin drops to 0,50, meaning you gave up 28,6% of that dish's margin to win a visit you probably already had at 55% retention (Restroworks, 2025). That is why a non-monetary incentive —table priority, an off-menu plate, the nine o'clock Saturday reservation— costs operations rather than margin, and holds price. Here I was wrong for years, recommending two-for-one as the Tuesday hook. It fills seats beautifully and it wrecks the weekend price reference, which is exactly where the house profit lives.

4. Above 1 million: channel cohorts and a capped repeat-purchase budget

Past 1 million, the house can afford analytics and must budget repeat purchase as a line item, capped at 3% of annual sales. The decision architecture changes: instead of guessing that people want discounts, you measure cohorts by month of first visit and answer with channel, date and check when frequency drops in August. It helps to know 29% of United States restaurant traffic already arrives with some kind of offer (Circana, 2025) and that value menus grew 1% while total traffic fell 1% (Circana, 2025): discounting is the market floor, not an advantage. The advantage sits in migrating third-party orders to owned channels, where the check rises 35% (Lightspeed, 2025). Set the goal in mix points, never in redemptions. In the band above 5 million you meet the high-end case —the celebrity-chef room, the large-format themed venue— and its problem runs the other way: discovery is abundant, repeat purchase is scarce.

5. Above 5 million: the media-driven profile and the borrowed-traffic trap

Some 51% of TikTok users dine out because of a restaurant's content (Restroworks, 2025) and 38% of Gen Z discovery happens on that network (Toast, 2026, survey of 1.466 adults), so the first visit arrives on its own. The second does not. Diego F. Parra, consultant at Masterestaurant, pushes these houses toward one indicator and one only: share of guests with two visits inside 90 days. If that number lives below 12%, the house owns no brand, it rents traffic, and the day the algorithm shifts the evening turn empties out. Beyond 10 million, the decision stops being which reward to give and becomes where the guest lives, and the answer is one identity across locations, owned delivery and reservations. Without it, the same diner appears three times and you pay acquisition three times over. The instrument with the cleanest accounting is the gift card, which carries a breakage rate near 6% of unredeemed value (Capital One Shopping, 2026): cash flow pulled forward and a slice that never leaves the kitchen.

6. Group or chain above 10 million: a single customer identity

Budget SMS for transactional messages, where response reaches 45% against email's 6% (Omnisend, 2025), and leave email for content. One number that opens a door: measure what it costs to bring back a known guest, then compare it against the 7,1% conversion Google Ads delivers in this sector (WordStream, 2025). Start by counting how many guests you can identify today by name, phone and last visit date, then divide that number by your monthly checks. If the result falls under 20%, you do not have a program problem, you have a capture problem, and no software fixes it. The sequence that works is short: identity at the register, local listing current because the Yelp window is 24 hours for 57% of its users (Yelp, 2026), owned ordering pushed by those 35% extra items per check (Paytronix, 2024), and the incentive last of all. Invert the order and you will pay rewards to strangers.

7. What to do Monday morning, with a numeric threshold

My recommendation is firm and has no middle ground: switch off any flat discount running this month, replace it with access, and measure 90-day frequency before touching price again. The first difference is decision architecture: the traditional model decides on a hunch («people want a discount») while the local digital engine decides on cohorts, so when the owner asks why frequency dropped in August there is an answer with channel, date and check size, not a shrug. That answer is what lets you renegotiate rent, staffing and purchasing, because cash flow stops being a monthly mystery. The second is unit economics. A 20% discount on a plate carrying 30% food cost does not cost 20%: it eats close to half that plate's contribution margin, and if the loyal guest redeems it —the one who was coming back regardless— the house is paying for a visit it already had.

8. What really separates the two models?

Non-monetary incentives cost operations, not margin, which is why the Masterestaurant method exhausts convenience before touching price. Third comes the channel. Restaurant email opens well, 43.6% per Stripo (2025), yet clicks at 1.06% (Mailchimp, 2025);

SMS opens at 98% and answers at 45% (Constant Contact, 2024; Omnisend, 2025). When you have a soft Tuesday and need thirty covers tonight, the gap between those two numbers is literally the gap between closing that shift in the black or in the red. Fourth is territory risk. The traditional engine cannot tell a guest living six blocks away from someone passing through; the digital one can, and that is where geotargeted media and the delivery algorithm start working together, because a tightly drawn delivery radius lifts on-time rate and on-time rate is exactly what Rappi or Uber Eats reward with visibility. Smaller radius, more repeat purchase.

POINT BY POINT

Decision scorecard

REAL COST OF THE INCENTIVE

A · TRADITIONAL METHOD (PUNCH CARD AND DISCOUNT)

Flat 15-20% discount eroding nearly half the contribution margin of a plate at 30% food cost

B · MASTERESTAURANT Convenience and operational priority, with monetary incentives reserved for reactivating lapsed guests and controlled breakage (Capital One Shopping, 2026)

Verdict: The digital engine wins: the discount is kept as a last resort, not as the program.

CONTACT CHANNEL

A · TRADITIONAL METHOD (PUNCH CARD AND DISCOUNT)

Mass email, 43.6% open but 1.06% click in restaurants (Stripo, 2025; Mailchimp, 2025)

B · MASTERESTAURANT Consented SMS, 98% open, 18% click, 45% response (Constant Contact, 2024; Tabular, 2025; Omnisend, 2025)

Verdict: SMS wins for moving a single night; email keeps narrative and season.

DESTINATION OF THE DIGITAL ORDER

A · TRADITIONAL METHOD (PUNCH CARD AND DISCOUNT)

Third-party app with high commission and no guest data

B · MASTERESTAURANT First-party ordering with 35% more items per check (Paytronix, 2024; Lightspeed, 2025)

Verdict: First-party wins without abandoning the apps: use them to acquire, not to retain.

ROLE OF ONLINE REPUTATION

A · TRADITIONAL METHOD (PUNCH CARD AND DISCOUNT)

Reviews answered whenever someone remembers, disconnected from the next visit

B · MASTERESTAURANT Reply protocol inside 24 hours, exploiting that 57% of Yelp users visit within a day (Yelp, 2026)

Verdict: The protocol wins: a review is a visit trigger with a short fuse.

MEASUREMENT AND ATTRIBUTION

A · TRADITIONAL METHOD (PUNCH CARD AND DISCOUNT)

Total monthly sales, with no split between new and returning guests

B · MASTERESTAURANT Cohorts by source channel with frequency, check and contribution margin kept separate

Verdict: The cohort wins: without attribution, every budget decision is a bet.

SCALING ACROSS UNITS

A · TRADITIONAL METHOD (PUNCH CARD AND DISCOUNT)

Each unit with its own card and its own rules, never consolidated

B · MASTERESTAURANT One engine with a Maps profile per unit, its own delivery radius and a consolidated scorecard

Verdict: The engine wins: it is the only one of the two that survives going from three units to ten.

SIDE-BY-SIDE COMPARISON

What the traditional method does today

SECTOR BASELINE

- ✕ Punch card or flat 15-20% discount for anyone who shows it, with no distinction between the weekly regular and the guest who vanished six months ago.
- ✕ A purchased or sloppily collected email list, blasted out to barely 1.06% click in restaurants and cafés (Mailchimp, 2025).
- ✕ Delivery handed entirely to third-party apps, with no first-party channel, surrendering both the guest relationship and 35% more items per check (Paytronix, 2024).
- ✕ A stale Google Business Profile with old hours and three-year-old photos, while 57% of Yelp users visit a business within 24 hours of seeing it (Yelp, 2026).
- ✕ Reviews answered whenever someone remembers, with no protocol, no owner and no link to the next visit.
- ✕ Zero attribution: nobody can say what share of this month's sales came from a guest who had already eaten in the house.

What the local digital engine installs **MASTERESTAURANT**

- ✓ Repeat-purchase cohorts by source channel —Maps, first-party ordering, delivery, geotargeted media — with frequency and check measured separately every 30 days.
- ✓ A direct SMS channel with explicit consent, opening at 98% and answering at 45% against email's 6% (Constant Contact, 2024; Omnisend, 2025).
- ✓ First-party ordering as the destination of every win-back message, since guests put 35% more items per check there than on third parties (Paytronix, 2024).
- ✓ A living Google profile: weekly posts, uploaded menu, correct attributes, review replies inside 24 hours.
- ✓ Geotargeted media with the repeat-purchase audience split from acquisition, benchmarked against 7.1% conversion (WordStream, 2025).
- ✓ Convenience-led incentives —table priority, early booking, chef's plate— before price, so contribution margin stays where it belongs.

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THE NUMBERS THAT MATTER

Indicators behind the thesis

55 %
Average guest retention in restaurants

35 %
More items per check ordering first-party vs third-party apps

98 %
Average open rate of SMS campaigns, read within 1-3 minutes

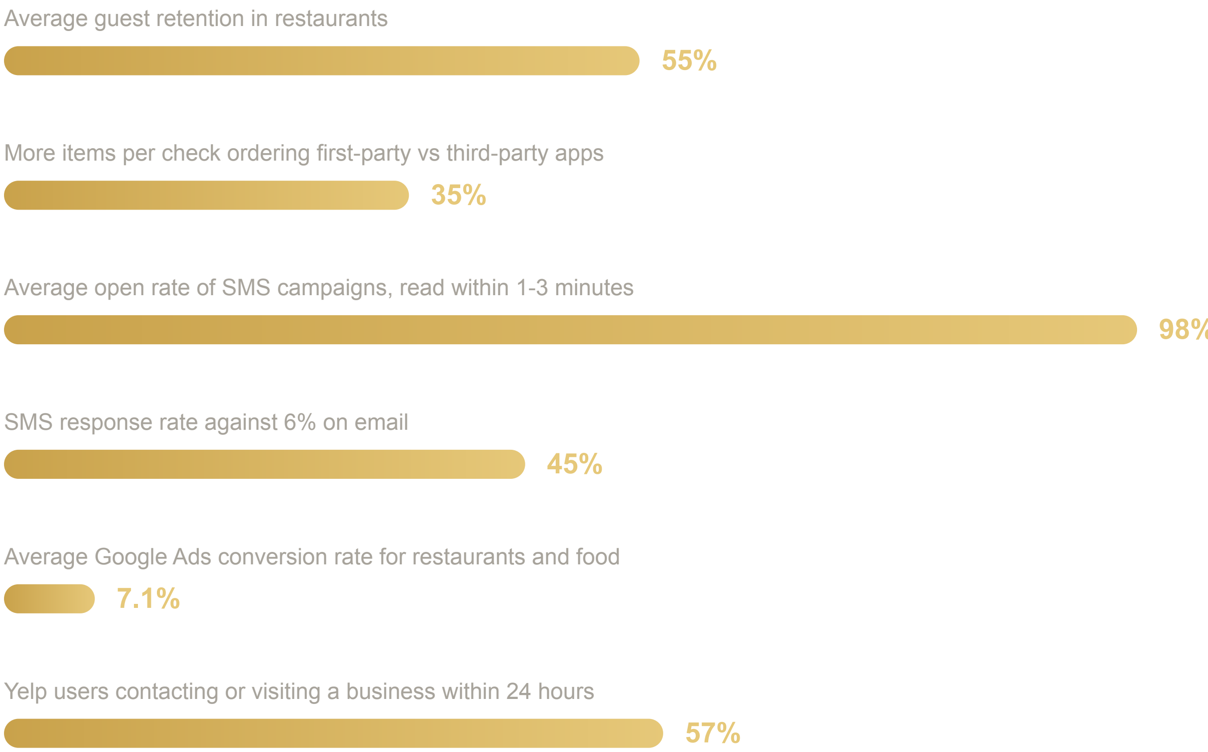
45 %
SMS response rate against 6% on email

7.1 %
Average Google Ads conversion rate for restaurants and food

57 %
Yelp users contacting or visiting a business within 24 hours

VISUALIZATION

The numbers, visualized



Sources: Restroworks 2025 · Paytronix 2024 · Constant Contact 2024 · Omnisend 2025 · WordStream 2025

Chart by masterestaurant.com

REAL CASE

“We had run a punch card since 2019 and believed that was our repeat-purchase program. Splitting cohorts by channel showed us that 71% of the stamps were redeemed by guests already coming three times a month: we were paying 18 points of discount for visits we already owned. We killed the card, moved communication to consented SMS and made first-party ordering the destination of every message. Within five months the first-party check ran 31% above the apps and delivery contribution margin went from 41% to 54%, without raising a single menu price.”

— Operating partner of a three-unit chef-driven group, 1 to 5 million USD annual revenue band, implementing the Masterestaurant method

HOW TO APPLY IT IN YOUR RESTAURANT

How do you build the program in 90 days?

1. **Phase 1 (days 1-30): baseline and owned-list capture**
Deliverable: a cohort dashboard splitting the month's sales between new guests and returning guests, by source channel —Maps, first-party ordering, delivery apps, geotargeted media—. This is where consented phone capture goes live at the point of sale and inside first-party ordering, and where the Google Business Profile gets cleaned end to end: hours, attributes, uploaded menu, photos from this quarter. Success metric at 30 days: 25% of the month's transactions carrying an identified contact with recorded consent, and median review response time under 24 hours. Skip this phase and everything after it is guesswork, because you cannot measure repeat purchase for a guest the house cannot name.

2. **Phase 2 (days 31-60): direct channel and the shift to first-party ordering**
Deliverable: two SMS sequences on the owned list —one win-back at 45 days without a visit, one occasion-based for the slow night of the week— with first-party ordering as the only link destination. SMS opens at 98% and answers at 45% against email's 6% (Constant Contact, 2024; Omnisend, 2025), so volume gets controlled through low frequency and narrow segments, never through blasts. Success metric at 60 days: 18% click on sends, in line with the Tabular (2025) benchmark, plus 20% of digital orders migrated from third-party apps to the owned channel, where guests put 35% more items per check (Paytronix, 2024).

3. **Phase 3 (days 61-90): geotargeted media, reviews and the economics of frequency**
Deliverable: a geotargeted campaign with the repeat-purchase audience split from acquisition, a review protocol with a named owner, and the unit-economics scorecard crossing frequency, check and contribution margin per cohort. The conversion benchmark to beat is 7.1% for restaurants and food (WordStream, 2025). Success metric at 90 days: identified-guest frequency running 15% above your own day-one baseline, menu food cost held at 32% or below, and cost per recovered visit sitting under the contribution margin of one average check.

4. **Program governance: who answers, and how often**
Deliverable: a monthly 45-minute review with the owner, the operations lead and whoever runs marketing, three numbers on the table —retention by cohort, check by channel, delivery contribution margin— and one decision per session. Operational due diligence on the program runs with the same rigor as a prime cost review: if a channel has not paid back its acquisition cost in 90 days, it gets switched off. Success metric: zero months without a review and one documented decision per month. A repeat-purchase program with no corporate governance turns into a list of good intentions nobody ever shuts down.

FAQ

Questions an owner asks before approving the budget

What does it cost NOT to run a repeat-purchase program?

It costs the gap between your retention and the 55% sector average (Restroworks, 2025), multiplied by your check and your contribution margin. In a unit under 500 thousand USD a year, five retention points usually outweigh the entire quarterly media budget, because a returning guest walks in with zero acquisition cost.

Isn't a discount faster than all of this?

It is faster and far more expensive. A 20% discount on a plate carrying 30% food cost takes almost half that plate's contribution margin, and it is usually redeemed by the guest who was already coming. Convenience — table priority, booking, a reserved plate— costs operations rather than margin, which is why it comes first in the method.

SMS or email for win-back communication?

SMS for immediate action, email for narrative. SMS opens at 98% and answers at 45% (Constant Contact, 2024; Omnisend, 2025) against email's 6%, yet restaurant email still opens at 43.6% (Stripo, 2025) and carries season, chef and menu stories. One channel moves Tuesday night; the other builds guest lifetime value.

Where do QR menus and printed menus fit into a repeat-purchase program?

Both stay, each with its own job. The printed menu controls service pacing, menu narrative and suggestive selling, which is where average check is won; the QR complements it with delivery, accessibility, price changes and analytics on what gets looked at and never ordered. Dropping the printed menu to save on printing is a saving paid for in margin.

DATA & SOURCES

Sector data 2026 (official sources)

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

Metric	Benchmark 2026	Source
Descubrimiento de restaurantes por Google	**62% de los consumidores encuentra restaurantes a través de Google, más que Yelp o redes**	Restroworks 2024
Perfiles de Google Business completos	**Los perfiles de Google Business completos tienen 7x más probabilidad de recibir clics**	WebFX 2026
Clics del local pack	**42% de las búsquedas locales en Google terminan en clic sobre el local pack (mapa + 3 fichas)**	The Media Captain 2024

Metric	Benchmark 2026	Source
Alza del costo de adquisición	**El costo de adquisición de clientes subió 222% en los 8 años hasta 2025**	Marqii 2025
Diners que investigan restaurantes en redes sociales	**41% de los comensales (2025)**	TouchBistro 2025 Diner Trends Report
Gen Z que decide dónde comer según redes sociales	**67% de la Gen Z (2025)**	TouchBistro 2025 Diner Trends Report

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