

Spendgo & EPSON Solution

Challenge

In California's high tech Bay Area, even the smallest retailers need to think big. With stiff competition from nearby giants Starbucks and Pete's Coffee, Black Diamond Café needed to up its game to drive customer engagement and return visits.

Solution

Customer engagement platform Spendgo and Epson OmniLink® intelligent printers work in tandem to harness transactional data, creating meaningful offers to reward loyalty – without costly, complex POS integration.

Name

Black Diamond Café

Location

Emeryville, CA

Founded

2010

Website

www.blackdiamondcafe.com

Small Cafe Sees Big Rewards

Paired with epson's omnalink® intelligent printer, spendgo delivers big-league rewards to any-size retailer

Five and a half years ago, Dave Ung and his wife opened a small café in an area ripe with big competition. It didn't take them long to realize they needed some smart technology to keep pace with the likes of mammoth chains Starbucks and Pete's Coffee. Ung knew his customers had sky-high expectations for fast, hasslefree in-store experiences, but he didn't have the



budget to mimic Starbucks' insanely popular mobile app. The small café would never garner enough downloads to justify the hefty price tag associated with a branded app; it required technologies to fit its small size, and deliver big on customer experience.

Enter Spendgo, a personalized customer engagement platform that builds loyalty for chains like Jamba Juice, Dickey's and Cold Stone Creamery. Shortly after opening its doors, Black Diamond Café became a favorite local spot for Spendgo's director of sales, who saw the platform's potential to give Ung a competitive edge. "We developed a relationship with the owner early on, and he really understood the value proposition of loyalty," said Ivan Matkovic, CEO and founder of Spendgo. "The owner saw what was happening at Starbucks, but as an SMB, he understood that a mobile app didn't make sense for his business." **Spendgo allows customers to walk up, enter their phone number on a small screen, and easily opt-in to start earning rewards.** The non-invasive, yet highly effective approach fit the bill. Ung was impressed with the application's ease of use, seamless customer interaction and ability to reward customers

in meaningful ways. “I’m not a very technical guy, but when I saw that this loyalty platform didn’t require a physical card, and we didn’t have to bother customers to get them to use it, that got my attention,” he said. Even more compelling for Ung, the software could run on his legacy point-of-sale system, but when he decided to invest in a newer, sleeker POS system, the platform would seamlessly migrate with him via an unlikely source – his receipt printer.

Seamless Integration

Spendgo is one of the many cloud-based software solutions that can be easily added to any POS system via a simple receipt printer upgrade using Epson’s industry-first OmniLink i-Series intelligent printers.

“**All of our customer data goes on the Epson cloud, so I can see everything wherever I am, in real time.** If I decide to upgrade to another system, it’s okay because the new system and Spendgo can still talk to each other via the Epson printer. We love that part.

— **David Ung**, Co-Owner & Founder Black Diamond Café

With Epson’s innovative platform, transaction data from the café flows through the POS to the OmniLink TM-T88V-i printer, then up to the cloud, where Spendgo accesses it, and makes it actionable for Ung. With most legacy systems, adding functionality requires costly, time-consuming integration that retailers, especially small ones, simply can’t afford. “At first, retailers are concerned that the data is not integrated into the point-of-sale,” noted Spendgo’s Matkovic. “I tell them to think of the Epson

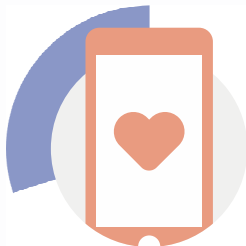
printer as an API (application programming interface), just another form of integration, except it’s easier because you’re repurposing the existing data output. That’s when the light goes on, and people get it.” Even though Spendgo was installed on Black Diamond’s legacy system, it

was easy to migrate to a new POS, thanks to Epson as the receipt printer remained the one constant in the migration. “When he decided to upgrade his point-of-sale system, we told him about the Epson solution – which would allow him to continue using Spendgo without any interruption in business,” said Matkovic. “We suggested the OmniLink solution, and we installed our new platform – with an 8-inch tablet for the guestfacing display, and he was up and running,” said Matkovic. “When we upgraded to a new tablet-based POS, that’s when we realized we were not tied to any system,” commented Ung. “All of our customer data goes on the Epson cloud, so I can see everything wherever I am, in real time. If I decide to upgrade to another system, it’s okay because the new system and Spendgo can still talk to each other via the Epson printer. We love that part.”

Competing to Win

With more than 5M people on the Spendgo platform (a rate of approximately 2M joining per year), the company boasts a 30% opt-in rate for SMS text messaging, and a whopping 94% rewards redeemed.

With Spendgo’s program up and running at Black Diamond Café, customers earn for every dollar they spend, rather than just per visit. Since no manual entry by the cashier is required, it minimizes fraudulent or ‘sweetheart’ rewards – which are difficult to track and audit. By taking the complexity and guesswork out of the rewards process, Black Diamond can move lines faster, safeguard against fraud and reward customers well. “We didn’t want to hassle customers to sign up for a loyalty card. They’re in control, and when they see the rewards and experience how easy it is to use them, they love it,” Ung said. Customers simply enter their phone number into



30%

opt in rate for SMS text messaging

Spendgo's sleek, 8-inch tablet on a stand at the register and rewards are added to the user profile. Matkovic reinforced that it's easy to brand the customized screen with logos, which is nice for SMBs since brand customization usually comes with a hefty price tag. "We're in the San Francisco Bay area, so this is a techie town," commented Ung. It's a no-brainer to have something like this for us to compete with Pete's and Starbucks. Why would they come to us over them? Because they happen to have a \$5.00 redemption reward waiting for them to use anytime they'd like. We have a loyalty program that allows them to feel rewarded without hassle and it just works consistently without issues. That builds loyalty in itself."

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— **David Ung**, Co-Owner & Founder *Black Diamond Café*

Spendgo's in-store digital marketing system did great things for Black Diamond Café. Want to see what it can do for your business?

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