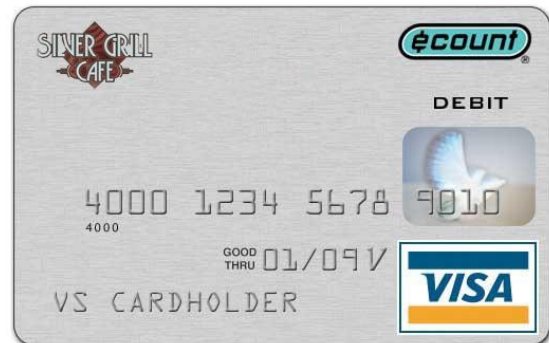




Gamification-Based Employee Incentives Aimed at Improving Sales in a Restaurant Environment

In July of 2010, the management team of the Silver Grill Cafe located in Fort Collins, Colorado implemented a Snowfly gamification-based employee incentive program with the expectation that it would motivate participating wait staff to sell more of specific menu items (Wikipedia defines gamification as “the use of game design techniques and mechanics to solve problems and engage audiences.”) As part of the program, participants were awarded with the opportunity to play online random-point-yielding games when they sold a fresh-squeezed orange juice or a 4-pack of cinnamon rolls. Participants could then convert their points to dollars by placing them on a personal VISA® debit card. Upon comparing sales figures in months with the gamification-based employee incentives versus those months without them, it is estimated that the Silver Grill realized an ROI of 66.2%. This means that for every \$1 dollar they invested in their incentive program they received an additional \$1.66 in revenue due to an increase in sales of the targeted menu items.



Company profile

The Silver Grill Cafe located in the heart of Fort Collins, Colorado is the oldest restaurant in Northern Colorado serving breakfast and lunch since 1933.

- Locally owned and operated
- Wait staff consists of 15 employees
- Serves an average of 500 meals a day
- Has a monthly incentive budget for their wait staff of approximately \$1000



Silver Grill Cafe, Fort Collins, CO

Business Situation

Says Silver Grill owner Johnny Arnolfo, “Increasing the sale of menu items such as cinnamon rolls and orange juice will noticeably improve the bottom line.” However, despite numerous efforts to promote these high profit margin items, the Silver Grill management team felt like the sale of these items was lacking. Management knew that the key to increasing sales was through the wait staff. “We know for a fact that our wait staff, when motivated to do so, is capable of dramatically influencing an increase in sales, we’ve seen it happen” says Arnolfo referring to previous incentive promotions. He goes on to say “The problem is that, for a variety of reasons, our prior incentive promotions failed to sustain improvements beyond a month or two at which point they became a waste of money and resources.” Silver Grill management needed an employee incentive solution that....

- Would engage and motivate wait staff to participate in the program
- Would sustain improvements in sales indefinitely
- Would provide quantifiable evidence of sales improvements and a ROI
- Was easy to use, manage and administer

The Solution

In July of 2010, Silver Grill implemented and launched a Snowfly gamification-based employee incentive program. The program was branded with the name “Juice it Up” and consisted of two key components: Snowfly’s web-based software application and VISA® reloadable debit cards.

Via Snowfly’s web-based incentive management application:

1. Participating wait staff were awarded with virtual game tokens as follows:
 - Sell a small or large glass of orange juice = **1 Game Token**
 - Sell a liter carafe of orange juice = **6 Game Tokens**
 - Sell a cinnamon roll 4-pack = **10 Game Tokens**
2. Participants used their earned game tokens to play any of several random-point-yielding games including a scratch card or slot machine. (**See Exhibit B – Figure 5**)
 - Each game play yielded an average of 10 points worth \$0.01 each.
 - Every play paid out a positive amount with the highest possible outcome being 5,000 points (\$50.)
 - Accumulated points could not be lost or replayed.
3. Upon accumulation of a minimum of 500 points, participants were able to convert them to spendable dollars by placing them on a personalized and Silver Grill branded VISA® debit card (card was given to them when the program rolled out.) This allowed participants to

receive their earned incentive rewards on a daily basis and provided them with ultimate spending flexibility. (See Exhibit B – Figure 6)

Results

The sales figures for the months following the launch of the *Juice It Up* program quantifiably shows that the sales of targeted items were better with the incentive program in place than without. In addition, participation data and employee feedback demonstrates that participants were actively engaged in the program.

- Employee Engagement:** 90% of all eligible participants log into their Snowfly account at least 1 time a month. Says waitress Cheryl Haselden: “Our incentive program is really fun and it really gets me juiced up (no pun intended) to see how many glasses of orange juice and cinnamon roll 4-packs I can sell in a shift”
- Increase in OJ Sales:** Fresh squeezed orange juice sales increased by 19.6%. Prior to implementing the Snowfly employee incentive program, the percentage of all meals served that included a fresh squeezed O.J. was 9.2%. With the incentive program this was 11% (See Exhibit A – Figure 3)
- Increase in CR Sales:** Cinnamon roll sales increased by 23.5%. Prior to implementing their incentive program the percentage of total meals served that included a cinnamon roll 4-pack was 3.4%. With their incentive program this percentage was 4.2% (See Exhibit A – Figure 2)
- Increase in Average Meal Ticket:** Prior to implementation of their incentive program orange juice and cinnamon roll sales accounted for an average of \$0.68 of every meal ticket. With the program these items accounted for \$0.82 of every ticket (See Exhibit A – Figure 1). It also should be noted that the total average ticket price increased accordingly, thus showing that the increase in sales did not come of the expense of decreasing the sale of other non-targeted items.
- Improvement in Moral, Retention and Absenteeism:** A positive by-product of Silver Grill’s incentive program that should be noted is a noticeable improvement in attendance, morale and retention. Says Silver Grill owner Johnny Arnolfo, “Since we launched our Snowfly program, there has been an obvious improvement in employee morale. In addition, turnover and absenteeism have significantly decreased.”



Silver Grill Waitress Cheryl Haselden

Conclusion

The Silver Grill Cafe’s gamification-based employee incentives program was and continues to be a success. Clearly, the insertion of games into the workplace has made significant improvements on several fronts. With very little administrative time they were able to increase the sale of targeted menu items and realize a quantifiable 66% return on their incentive investment. As Johnny Arnolfo, the restaurant owner says, “The Snowfly games are here to stay. I can’t imagine doing business without them. Neither can my staff.”

About Snowfly

Snowfly is a full-service employee recognition and incentive company based out of Laramie, Wyoming. Snowfly offers and supports a complete workforce incentives system consisting of online programs, motivating rewards and consultative services provided by our team of experts. Our incentive system will enable your organization to create, implement, and manage effective incentive, recognition and reward programs that will engage and motivate employees to

substantial and sustainable improvements in performance, morale and retention. To learn more about Snowfly visit our website at <http://www.snowfly.com>



Exhibit A: Charts in Support of a Return on Investment

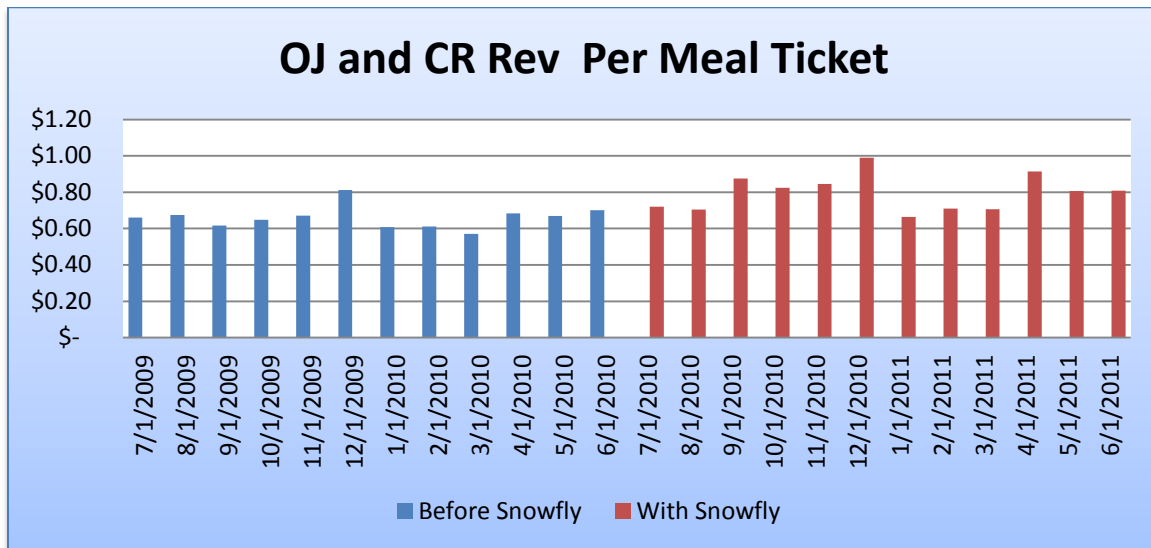


Figure 1: Average Revenue per Meal Served from OJ and Cinnamon Roll Sales

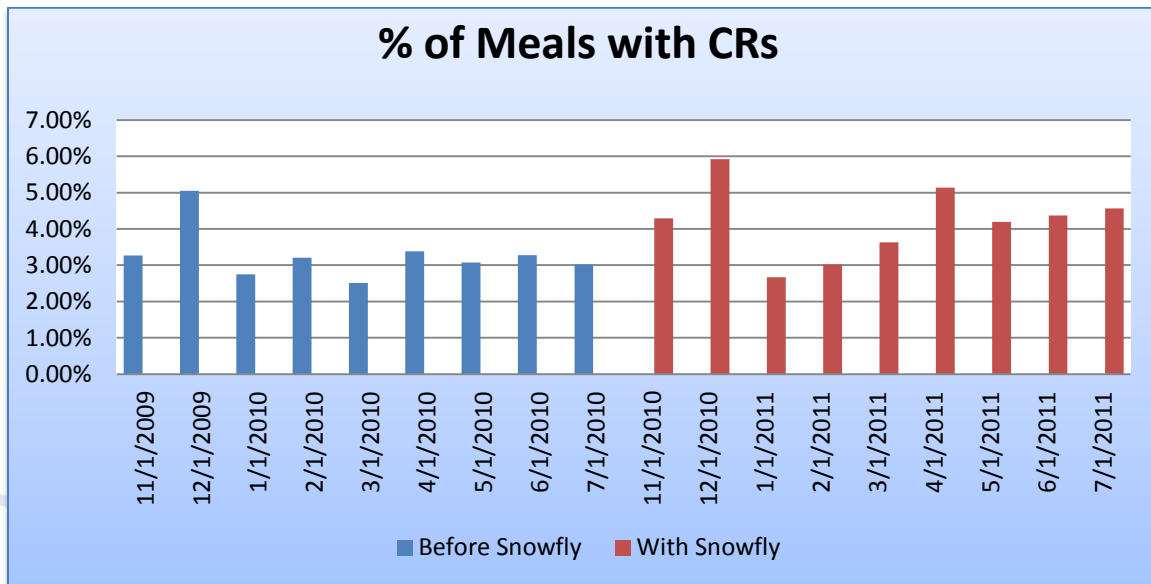


Figure 2: % of All Meals Served with Cinnamon Rolls

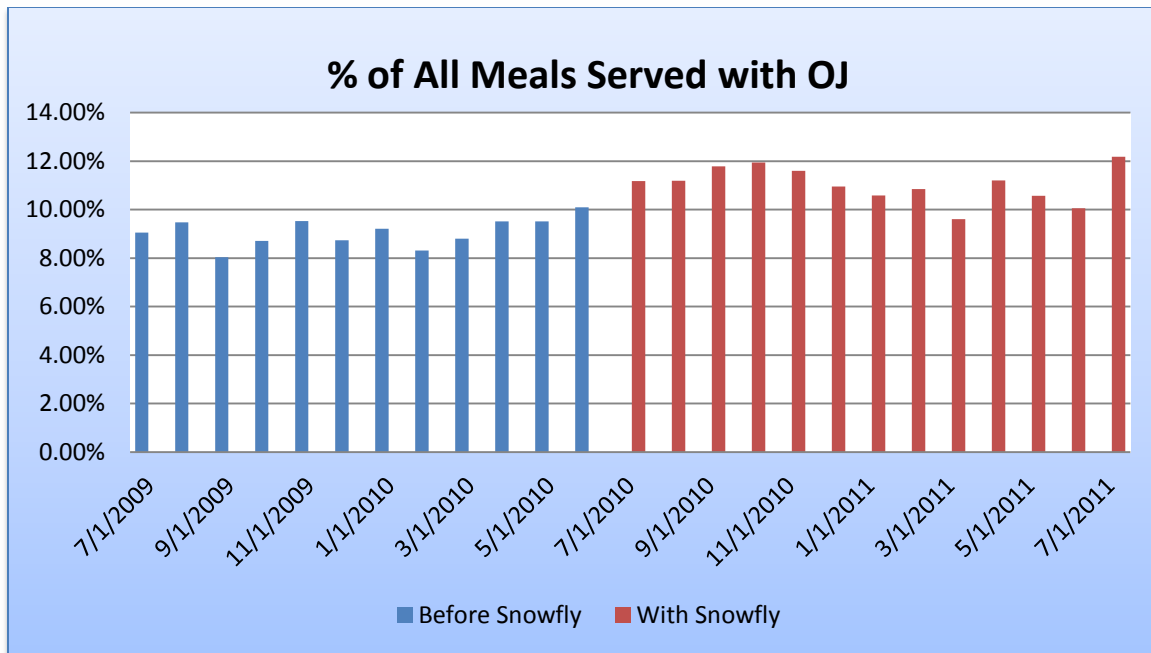


Figure 3 % of All Meals Served with OJ



Exhibit B: Incentive Management Software Screenshots

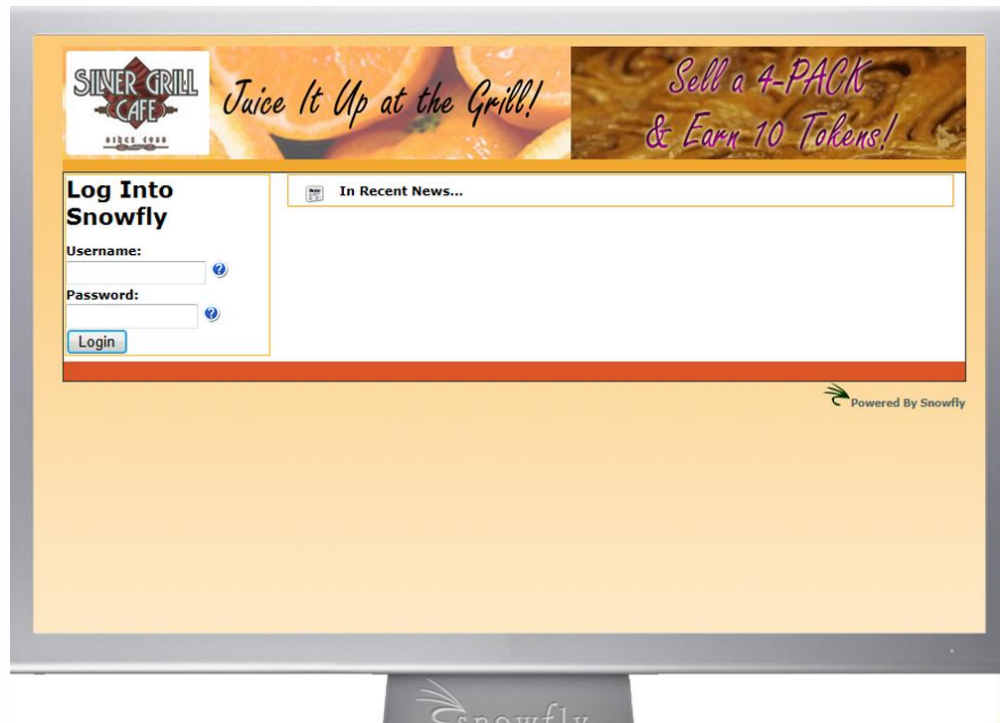


Figure 4: Login Screen



Figure 5: Participant Play Game & Win Points



Figure 6: Participant Converts Points to Dollars

