

LIQUID  
BARCODES **B**

FUTURE OF LOYALTY

# How to guide – Coffee Subscription

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# Your 5-stage project plan checklist

## Stage 1: Payment Partner

- Retailer to ensure that the payment partner is contracted and aligned on the project plan.
- Retailer to ensure that all activities mentioned under section “Setting up your payment partner” are completed.

## Stage 2: App development and integration

- Retailer to ensure that the app developer partner is contracted and aligned on the project plan.
- Retailer to ensure that all activities mentioned under section “Integrate LB APP API with shop function” are completed.

## Stage 3: Subscription plans, pricing and plan rebate strategy

- Retailer to decide what subscription plans to offer the customer.
- Retailer to decide pricing for these subscription plans.
- Retailer to decide the plan rebates to help recruit subscribers.

## Stage 4: Preparing for go-live

- Retailer to ensure completion of tasks and readiness to go-live.
  - Create graphics and text for subscription plan campaigns
  - Create subscription plan campaigns in dashboard
  - Provide LB with retailer specific details
  - Provide LB with required information from legal team
  - Provide LB with stores details (unless already in place)
  - Acceptance test the app flows: buy plan, use plan, receipts
  - Confirm subscription settlement approach with accounting team
  - Create marketing material for stores
  - Prepare stores for convenient check out in-store

## Stage 5: Go-live and marketing launch

- Retailer to ensure go-live and that stores and all internal teams are trained and ready.
- Retailer to ensure information/marketing material is available for customers and stores.
- The checklists are outlined in the following sections:**
  - Go-live and marketing launch best practices
  - Adding a new store to the program after launch how to guide
  - Customer service how to guide
  - Finance and accounting how to guide
  - Insights reports and analytics how to guide
  - FAQ - the how to guide for stores and customers

# Setting up your payment partner

We recommend selecting your payment service provider (PSP) early in the subscription project as it is important for app design and development. Also, account creation can take time. Thus, it can quickly become dimensioning for the timeline of your subscription project.

To operate a subscription program, it is necessary to use a payment method where Liquid Barcodes can initiate renewal payments from the back end without shopper interaction (user absent payment).

## Typical points to evaluate include:

- Pricing and fee structure
- Available payment methods and APIs
- Policy on identification and authentication on account set up - how easy is it for you to become a customer of the PSP?

The most common payment method for subscriptions is credit card where Liquid Barcodes stores a payment token or alias which is used to request payments from the PSP. There are many different payment service providers. Ask Liquid Barcodes which PSPs that are already integrated and available for your market.

## SETTING UP YOUR PAYMENT PARTNER

### Checklist:

- Signed agreement with payment provider, commercials agreed
- Retailer has aligned payment provider on project scope and timeline
- LB has received payment provider API documentation and sandbox credentials
- Payment partner merchant account for retailer in place
- Payment partner configurations confirmed done
- LB has received API credentials for merchant account (retailer)
- LB has switched app to production API credentials
- Payment partner reports access confirmed by retailer
- Payment partner has approved / certified app for launch
- Retailer acceptance tested purchases on the app
- Retailer to confirm with payment partner ready to launch



# Design app flows for subscription plan purchase and use of plan

Your app developer should design all app flows and share with the Liquid Barcodes team for feedback before app development and integration towards the LB APP API starts.

We have created this useful guide for how the different flows can be - with the "Coffee Company"



# Integrate LB APP API with shop function

To use the Liquid Barcodes system to launch your coffee subscription program your app developer needs to integrate the Liquid Barcodes Application API.

The below functions are the key functions for your app developer.

Register the users with the LB system using the existing member IDs that they have registered with your app:

<https://kb.liquidbarcodes.com/api/#register-user-external-user-creation>

Allowing the user to purchase a shop offer (subscription plan):

<https://kb.liquidbarcodes.com/api/#shop>

Show the subscription plan in the app:

<https://kb.liquidbarcodes.com/api/#content-management>

For active subscription plans - scan QR code to redeem:

<https://kb.liquidbarcodes.com/api/#code-usage>

Show receipts and allow forward digital receipt to email:

<https://kb.liquidbarcodes.com/api/#receipts-handling>

Store management, get stores into LB system to set up QR codes to scan:

<https://kb.liquidbarcodes.com/api/#stores-management>

The Liquid Barcodes Application API also allows for use of other key features that Liquid Barcodes provide such as refer a friend, games, surveys, images, push notification etc.



# Deciding on your subscription plans

Subscription plans are the types of subscriptions that shoppers can choose from in your app. Liquid Barcodes makes it possible and easy to create many subscription plans from the dashboard. The subscriptions can be for individual use or for multiple users. When a shopper buys a subscription, it is renewed every 30 days. If you have multiple coffee subscription plans, shoppers can switch subscription plans. This is treated as an upgrade or a downgrade, depending on the price difference between the existing and new subscription plan. An upgrade happens when a shopper switches to a more expensive subscription plan, conversely the switch is a downgrade. For upgrades, the subscription plan switch happens immediately. Shoppers pay the price difference taking into account how many days they have left already paid for. Downgrades happen on the renewal date which means you stay with the existing plan for the period you have already paid.

We recommend starting with a few plans and expanding as the program matures. More than one plan gives choice for the customer and helps you in the pricing as you can keep a low price point for a one coffee per day plan and take a higher price for an unlimited plan.

Here is a list of the most common subscription plans:

## **INDIVIDUAL PLANS:**

- One coffee per day
- Two coffees per day
- Unlimited

## **MULTI-USER PLANS**

**(“FRIENDS PLANS” OR “FAMILY PLANS”)**

- One coffee per day, for two persons
- Two coffees per day, for two persons
- One coffee per day, for 4 persons - a total of 4 a day
- Two coffees per day, for 4 persons - a total of 8 a day
- Unlimited, for 2 persons
- Unlimited, for 4 persons



Subscription plans can also be limited to specific coffee products, eg. brewed coffee vs. barista made.

# Deciding pricing and plan rebates for your subscription plans

## When determining the price points, it is important to consider:

- Your average coffee retail price
- Number of cups per subscription customer per day
- Is the subscription more convenient than the standard customer journey?
- Competition
- The number of subscription plans you offer (can you lead with a low price point on one-coffee-a-day and take a higher price for unlimited?)

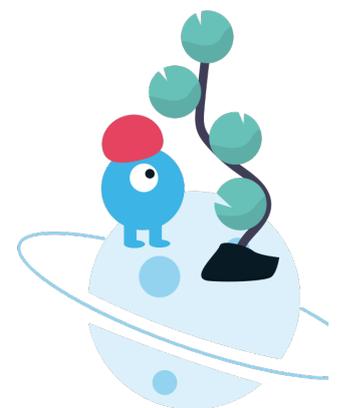
## Liquid Barcodes makes it possible to set multiple types of rebates:

- Plan rebates: you can reduce the price for specific subscription plan periods after the shopper has started the subscription. Typically this is used for 1st month or 2nd month, e.g. 1st month 50% off or 2nd month free (buy one, get one).
- Seasonal rebate: In low seasons, you can reduce the price for all subscribers. For example, if July is a low traffic month for your coffee sales, you can reduce the price for all renewals in this month to reduce churn rates.
- Personal rebates: You can give rebates 1:1. Remember that this can be combined with automation rules to create specific customer journeys. This way, you give personal rebates automatically. You can also give personal subscription rebates as game prizes.
- Promo codes: shoppers enter a promo code to get a rebate, once per shopper. This is typically used for social media campaigns or local activations using flyers.

Deciding your **plan rebates** strategy is a key input into creating your marketing launch material. This is typically used as a recruiting mechanism, e.g. 1st month 50% off! The other rebate types (seasonal, personal, promo codes) are more relevant supporting the on-going operations of your program and specific campaign periods.

## Some possible plan rebates strategies are:

- No discount! Communicate the increased convenience of subscription.
- Rationale: increase average price, promote the convenience of subscription.
- First month half price or free
- Rationale: give incentive to sign up
- Second period half price or free
- Rationale: give incentive to sign up, but make sure shopper has to pay first
- Use channel specific promo codes
- Rationale: give incentive to sign up and benchmark different communication channels e.g. Facebook vs. Instagram vs. flyers handed out locally

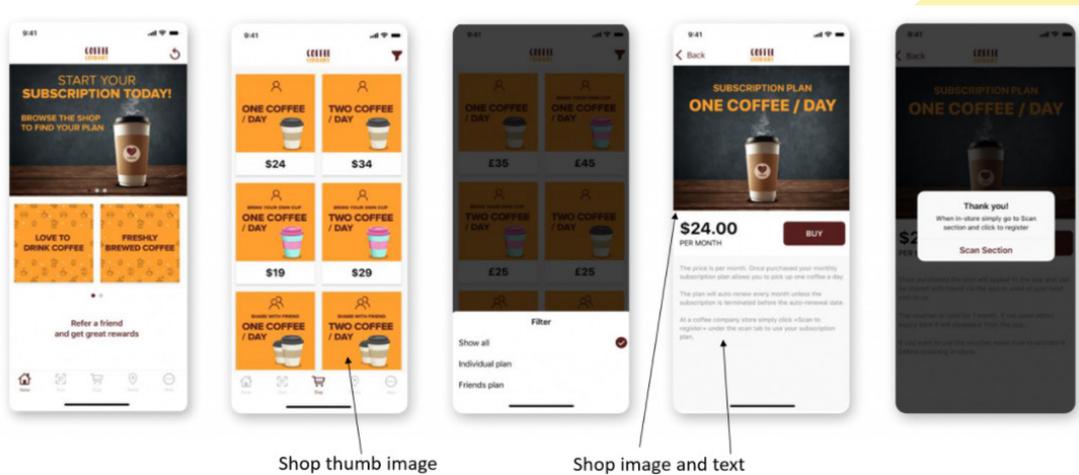


# Create subscription plan campaigns graphics and text

## EACH SUBSCRIPTION PLAN CONSISTS OF:

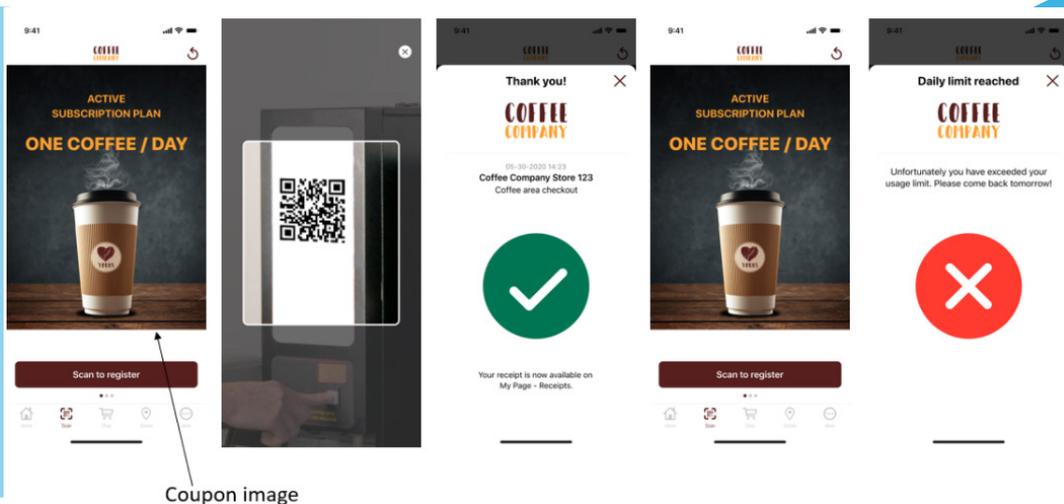
### In the app shop:

- Shop thumb image that is presented in the shop offer list view
- Shop image that is presented when shopper clicks on the subscription
- Text that is presented when shopper clicks on the subscription



### Active subscription:

- Coupon thumb image and Coupon image that is presented in the app after the shopper has purchased a subscription. Coupon thumb image can e.g. be used on home screen.



- Shop images look amazing and clearly communicate what plan you are buying
- Shop text explains everything needed in terms of the plan rebate, the auto-renewal price, the usage (number of coffees per day, number of users), the range of coffee available with the plan etc.
- Active plan images look amazing and clearly communicate what plan you have

# Provide LB with retailer specific details

## Checklist:

- Provide LB with the retailer`s Tax ID
- Provide LB with email addresses to 1-3 super-users (link to guide "Adding users")
- LB confirmed dashboard access given to the super users
- Confirm ok with email address for receipts email: retailer@liveloyalty.com
- Provide receipts email for own domain (needs to be approved/whitelisted with AWS)



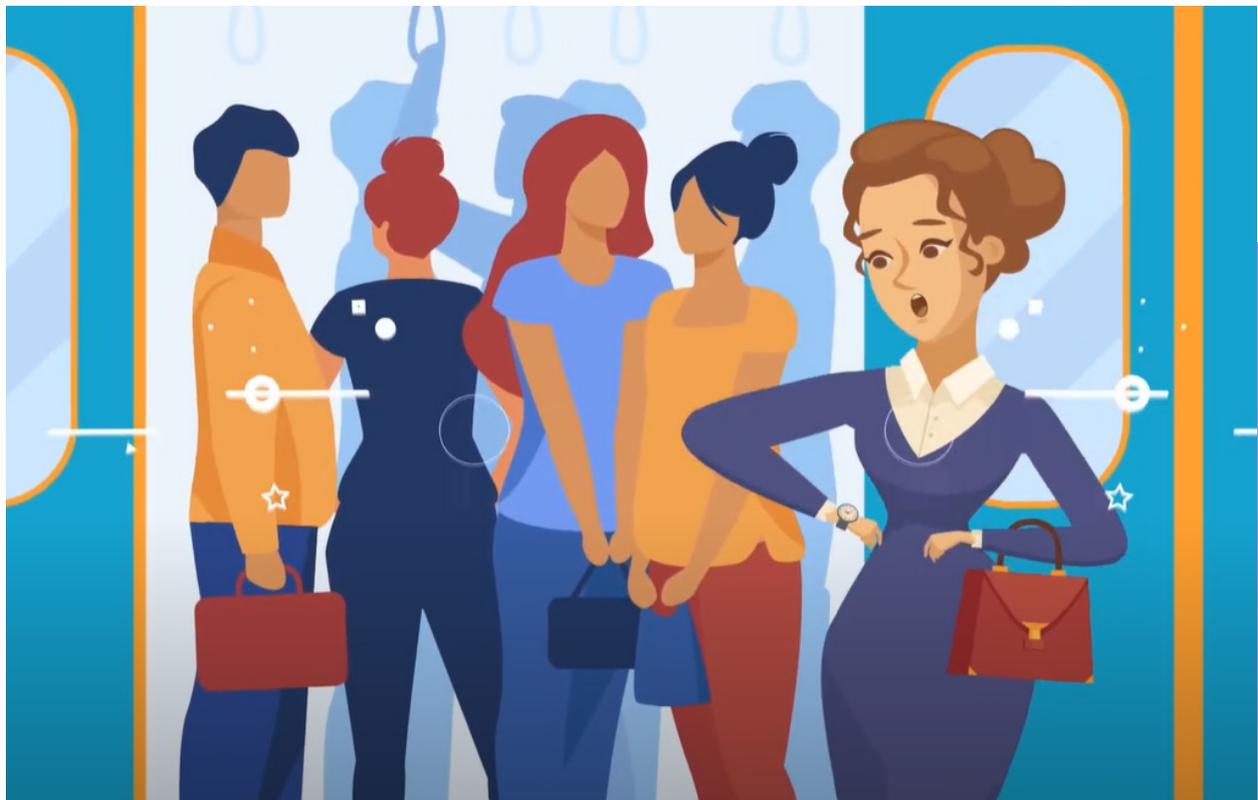
# Provide LB with required information from legal team

Make sure to have your legal team go through the Terms and conditions to check if these texts should be updated to reflect the addition of subscription to your program. Liquid Barcodes does not provide legal advice.

If you are integrating subscriptions into an existing app and using foreign ID mode with Liquid Barcodes Application API, Liquid Barcodes do not need to store T&C / Privacy policy text.

## Checklist:

- App related
  - Terms & Conditions text
  - Privacy policy text
  
- Contract related
  - Data Processor Agreement signed with LB



# Provide LB with stores details (unless already in place)

## Approach:

Preferred: Is store data available via API? Provide API endpoint and API credentials

No store data API - use stores detail excel template and import list

Add new (few) stores by manual entry in dashboard - settings menu - stores

### Store detail excel template for import:

Store name

Address

ZIP

City

Phone number (optional)

Email (optional)

Region (optional)

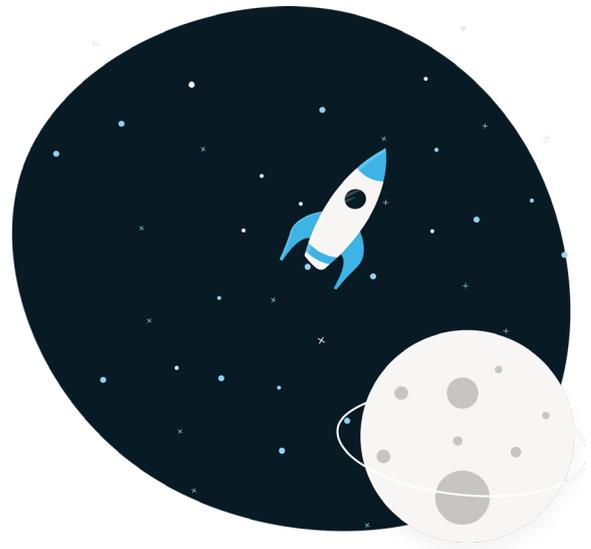
Store ref

Position (Latitude/Longitude)

Opening hours

Tax legal entity name

Tax rate per store for coffee



### Store detail edit / add new store in dashboard:

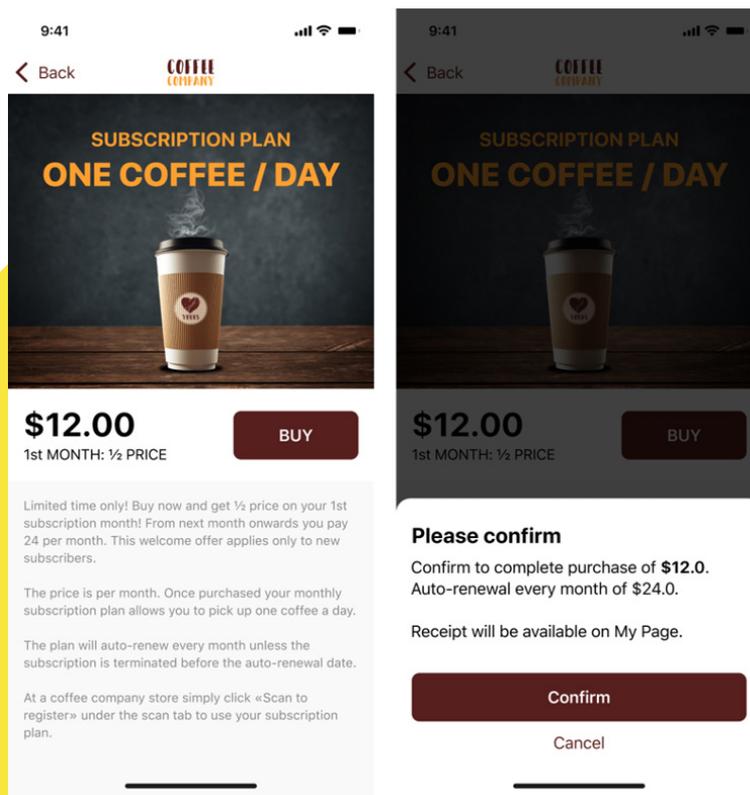
#### How to video:

<https://kb.liquidbarcodes.com/how-to-videos/> - > Pages - > Video: "Settings - manage stores"

# Acceptance test the app flows: buy plan, use plan, receipts

## Checklist:

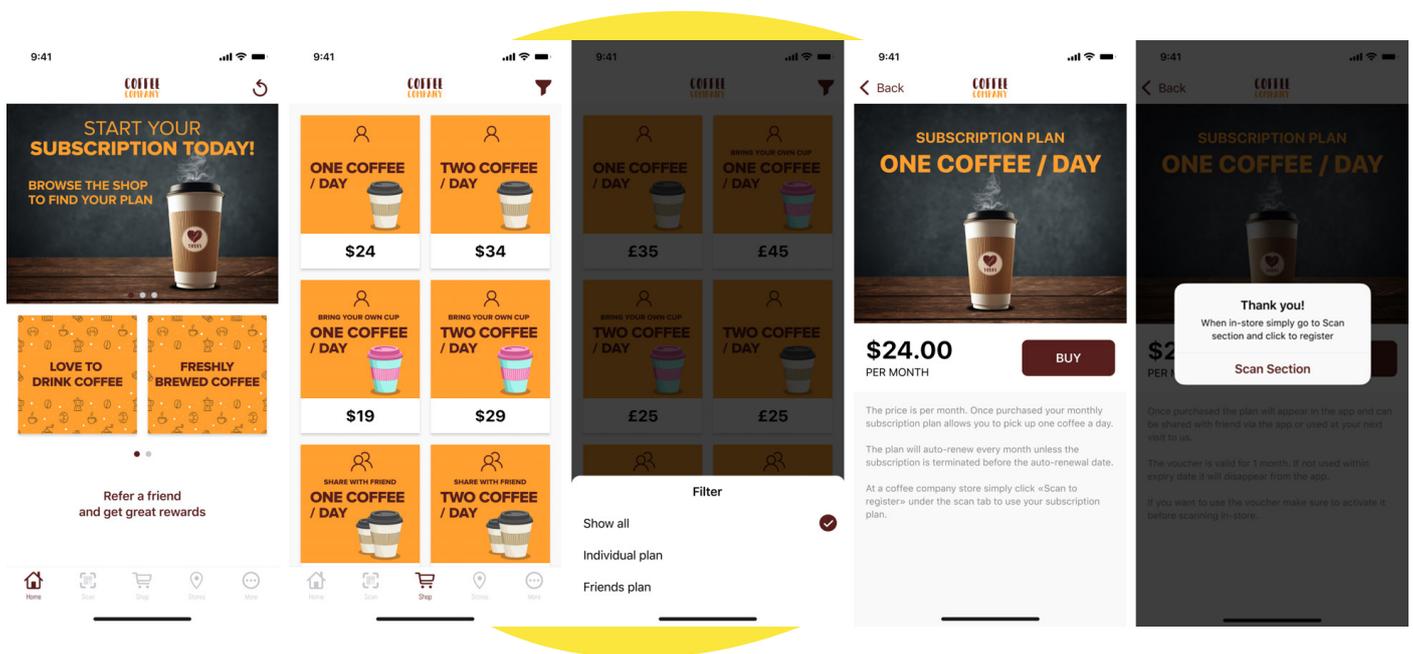
- Test the three key customer flows:
  - Register with the app
  - Purchase your subscription plan
  - Use your subscription plan; scan the QR code to check out
- Verify that receipts are ok with your accounting team
- Verify that reports are ok with your accounting team
- Test additional customer flows:
  - Stop a subscription plan
  - Upgrade (or downgrade) a subscription plan
  - Plan rebates in purchase flow
  - Personal rebates in purchase flow
  - Use of promo codes in purchase flow
  - Buy a multi-user plan and share with others, test usage for all users.



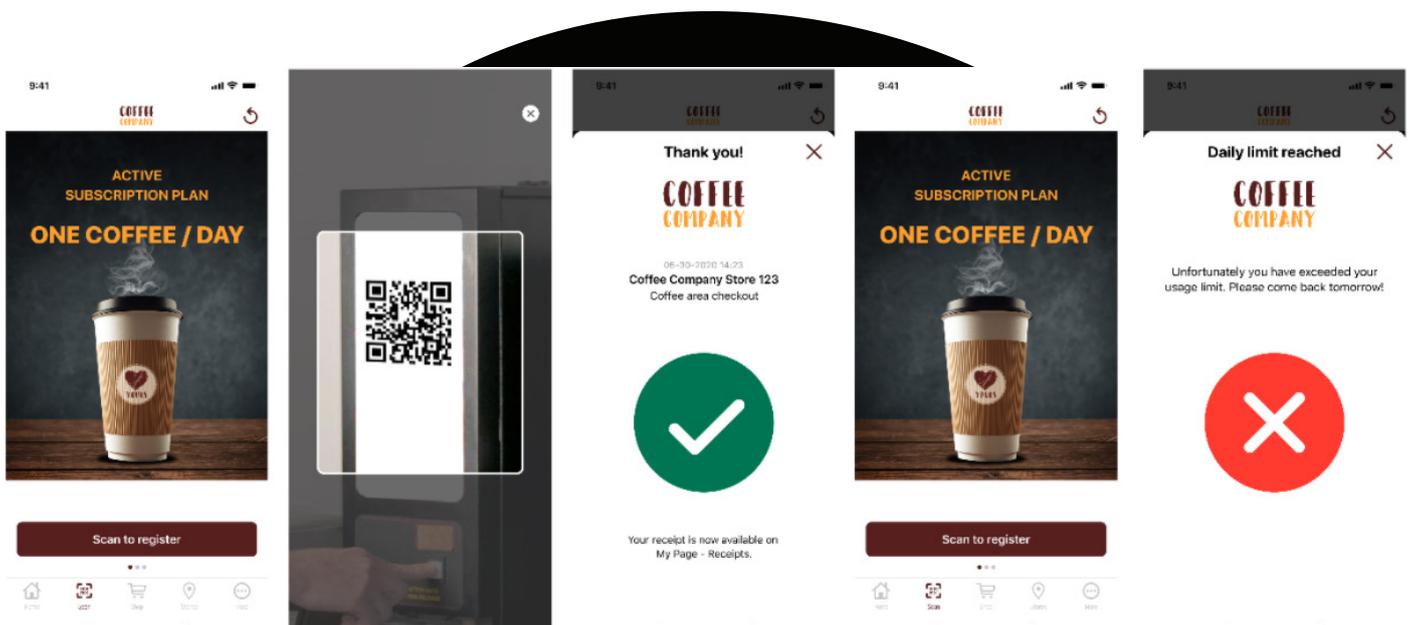
# Create marketing material for stores

The marketing material should explain how the subscription program works and the benefit for shoppers of buying the subscription. Use illustrations from the app. Show the key flows such as buying your plan and using your plan.

## Buying your subscription plan:



## Using your subscription plan:



# Prepare stores for convenient check out in-store

An important aspect of coffee subscription is the opportunity to check out on the coffee island, thus removing the need to go to the till for check out. You should consider:

- Where to place the QR code that shoppers scan to check out?
  - On the coffee machine/area?
  - Close to the entrance/exit?
  - At the till?

If shoppers can check out away from the till, it is important to give merchants transparency on the subscription collections in store. Liquid Barcodes offers a web page per store where merchants can see the successful subscription checkouts in his store. This allows him to verify that shoppers who collect coffee actually have a valid subscription. Please consider where merchants should access this webpage. The webpage has a unique link per store and the store manager (and any employee) may have this page as a favorite on their mobile phone as well as on the store pc / tablet. Screenshot example below.

Time	Counter	Program	Campaign
21 minutes ago	4	Cold beverage - Door	Any beverage - subscription plan 2 per day
21 minutes ago	3	Cold beverage - Door	Any beverage - subscription plan 2 per day
22 minutes ago	2	Cold beverage - Register	Any beverage - subscription plan 2 per day
22 minutes ago	1	Cold beverage - Register	Any beverage - subscription plan 2 per day

Considerations to balance when launching your coffee subscription program:

## Convenience vs. Control

Convenience for customer	vs.	Control for retailer
Check-out on coffee area – or check-out on exit		Check-out on POS
Easy to register and start using the app		Controls: x devices per mobile number per y months
Brand all stores subscription		Store level subscription
Clear communication: I have paid for my coffee	✓	Possible to verify that the customer is a paying customer
I can choose to purchase the plan that fits my needs	✓	Different subscription plan options facilitates right use

# Go-live and marketing launch best practice

## 5 best practice tips to launch the coffee subscription program.

### Checklist:

- Subscription plans - keep it simple and start with individual subscription plans only.
- Offer multiple plans - a low price point to lead your marketing with for one coffee per day allows you to take a higher price for the unlimited plan.
- Launch campaign pricing - keep high prices and use plan rebate mechanics with 1/2 price first month or 2nd month free (buy one, get one).
- Use your available online channels for the marketing launch and ongoing marketing. Make sure all your store managers and store employees are encouraged to go onto the App Store and Google Play store to leave a positive rating of your app.
- Make sure customer collateral is in the store and available for customers at launch.



# Adding a new store after launch how to guide

Once a store is added in the Liquid Barcodes system via dashboard you can create QR codes for print. The QR codes can be placed on the coffee machine/island, at the cashier desk or at the entrance point.



# Customer service how to guide

The how to guide has the following chapters:

Manage devices

Give personal rebates

Manage multi-user subscriptions

## Checklist:

- Retailer has received the guide
- Retailer has shared the guide with customer service team
- Customer service team has been trained
- Customer service team has access to dashboard - user support



# Finance and accounting how to guide

It is important for shoppers that the subscription can be used in all stores. The subscription payments (start subscription and renewal every 30 days) thus go to a central account. To allocate revenue (and transfer money if required) to the individual store, we create a settlement file which can be downloaded manually from the dashboard or automatically via API for automatic processing. The report is created like this:

- The assumption is that the entire subscription payment will be distributed to the stores
- The distribution per store is made based on the number of products the customers have picked up in each store.
- This means that the amount to be distributed to each store is only known when the subscription period is over (30 days delay)
- Liquid Barcodes create a settlement file that shows the amount to be distributed to each individual store. The file is available for payments 30 days back and older.
- For each subscription payment from the customers, Liquid Barcodes calculate the amount to be transferred to which store. Example:
  - If the customer only picks up products in a store, the entire amount is allocated to this store (one row in the settlement file)
  - If the customer picks up products in two stores, the same amount in both stores, half the amount is allocated to each of the stores (two rows in the settlement file)
  - If the customer picks up products in three stores, e.g. 2 products in store A, 1 product in stores B and C, half the amount is allocated to store A and 25% to respectively. shop B and C (three rows in the settlement file)
  - If the customer does not pick up products, the amount is allocated to the customer's favorite store (one row in the settlement file)
- For each add on purchase, eg. they buy a sweet bun with a cup of coffee:
  - This purchase is locked to store
  - This amount is allocated in its entirety to the relevant store
  - The amount is reported on a separate line in the settlement file

## Approach:

- Preferred: Accounting will get reports via API
  - Credentials are shared by LB
  - Integration scheduled with retailer's IT team
  - Reports confirmed received daily via API
- Alternative:
  - Accounting will get reports via SFTP
  - Accounting has access to LB dashboard and knows how to download reports

## Checklist:

- Accounting has received sample reports from LB
- Accounting has confirmed how to match LB reports with payment provider`s reports
- Accounting has confirmed understanding of how to settle stores

## Resources:

- API documentation page:

<https://kb.liquidbarcodes.com/api/#get-report-from-liquid-barcodes>

- Relevant reports for car wash subscription

- Shop transaction report:

- The purpose of this report is allow the retailer to match all transactions on the app towards the money coming in from the payment provider. The key field in the report is "Payment Ref". This is the transaction reference from the payment provider.

- Link: <https://kb.liquidbarcodes.com/campaign-operations/data-reports/#shop-transaction-report>

- Shop settlement report:

The purpose of this report is to allow the retailer to allocate single-use coupon sales amount received to the central merchant account (HQ), to the stores where usage has happened. For a given period the report will show single-use coupon codes that are: Used in the report period, Expired in the report period, Active at report period end (purchased before or on period end, but not used or expired at report end). The shop transaction report only show transactions for a specific date/period (processing date), whereas the shop settlement report will show all used/expired/active codes for the date/period report is generated. Report details: "Code status": "Used" or "Expired" - or "Active" if not used or expired. "Store ID": If Code status = Used, column show StoreID, If Code status = Expired, column show StoreID of shopper`s local (home) store, If Code status = Active, column is blank. "DateTime": show the local time of usage or expiration time. If Code status = Used, time of coupon usage, If Code status = Expired, expiration time, If Code status = Active, column is blank.

Link: <https://kb.liquidbarcodes.com/campaign-operations/data-reports/#shop-settlement-report>

- Subscription settlement report:

The purpose of this report is to allow the retailer to allocate the subscription amount received to the central merchant account (HQ), to the stores where the usage has been over the subscription period. In the report only concluded subscription periods for a member (subscriber) will be present i.e. 30 days after the payment date. For a member there can be multiple rows, if usage across multiple stores. If the member have only used the subscription at one store there will be only one row for this member. If the member has not used the subscription at all in the subscription period there will be one row and the store is the member`s local/home store. The report auto-allocates the entire subscription amount to the local/home store if there is no usage. For members with usage across multiple stores the allocation amount is pro-rata based on usage.

Link:

<https://kb.liquidbarcodes.com/campaign-operations/data-reports/#subscriptions-settlement-report>

# Insights reports and analytics how to guide

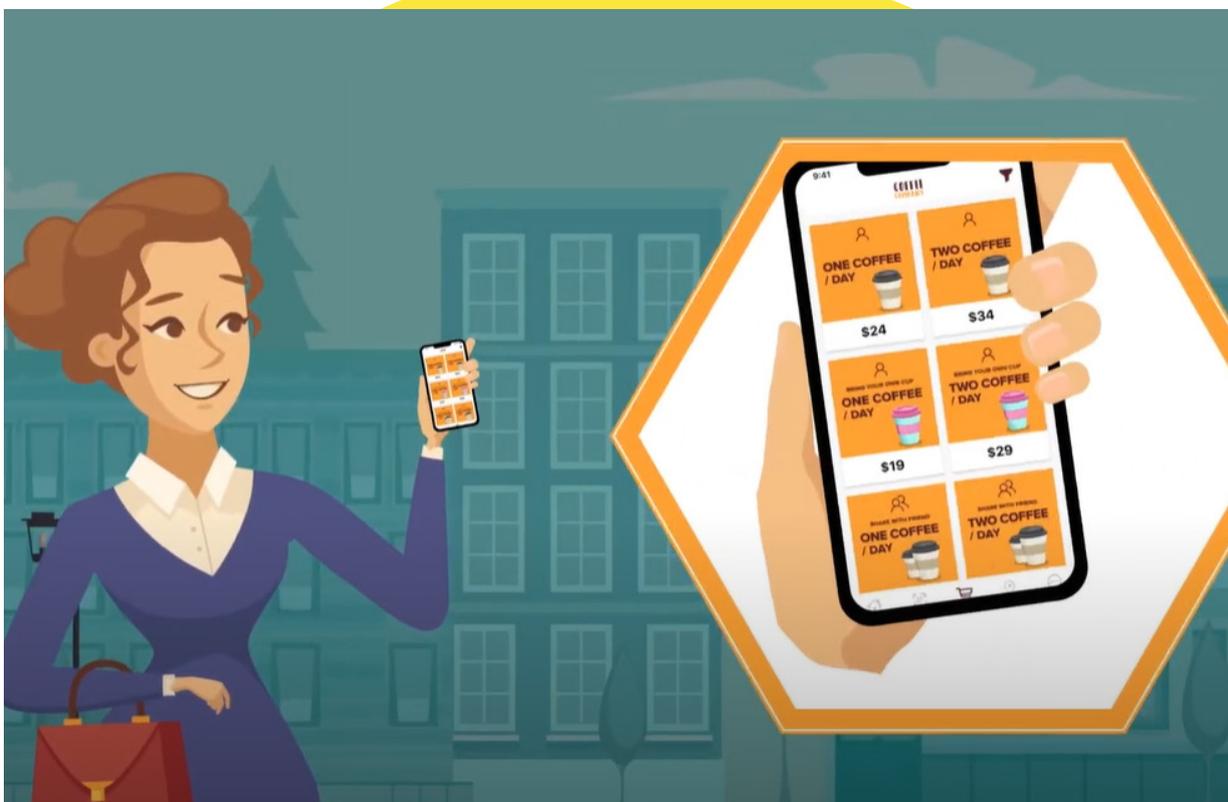
## Checklist:

- Category team received Coffee company example reports
- Daily report confirmed received
- Weekly report confirmed received
- Weekly store benchmarking report confirmed received

## Getting access:

Email address to main tableau user provided to LB (\$100/user/month)

Email addresses to additional tableau users provided to LB (\$50/user/month)



# FAQ (how to guide for stores and customers)

## **1** WHEN WILL I BE BILLED FOR MY COFFEE SUBSCRIPTION PLAN?

The day you sign up becomes your monthly payment date for each consecutive month you are on the program. The plan will auto-renew.

## **2** CAN I USE MY MEMBERSHIP AT ANY LOCATION?

Yes, please visit our store locator to find the store nearest you.

## **3** HOW DO I SIGN UP FOR A MEMBERSHIP?

It's quick and easy! Simply download our App. Follow the instructions to get started on your subscription plan!

## **4** WILL I RECEIVE A REFUND IF I CANCEL MY SUBSCRIPTION PLAN?

No, your plan will remain active until the day before your next billing date.

## **5** I AM HAVING ISSUES WITH PAYMENT?

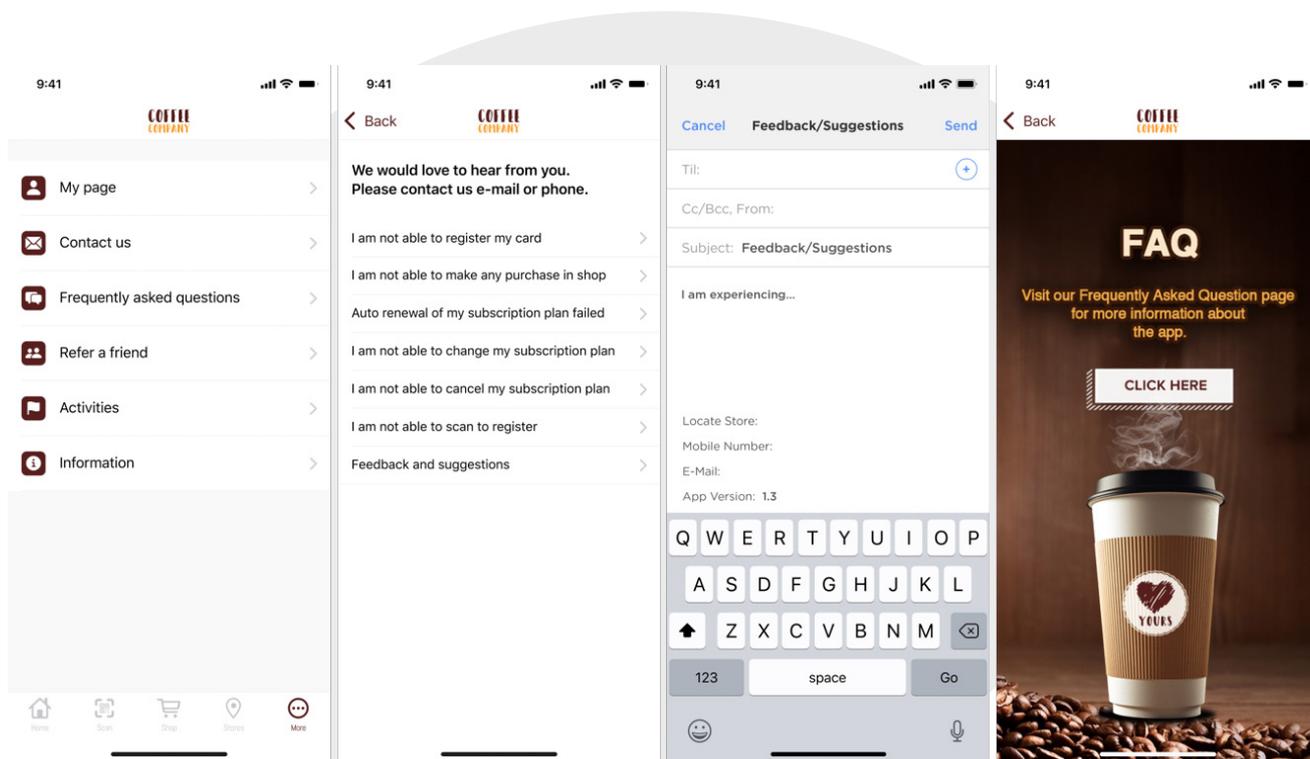
- We accept all cards for payment including Visa, Mastercard and American Express
- If you are not able to make a purchase of a subscription plan, you need to ensure you have completed your payment method first.
- If you are still having issues, give us a call at xxxxxxxxxx or navigate to the CONTACT US page inside the App – Our team will be in touch with you shortly!

## **6** I WANT TO CANCEL MY SUBSCRIPTION?

Please navigate to MY PAGE and click on MANAGE MY SUBSCRIPTIONS

- If the above feature is deactivated then
    - Please navigate to the CONTACT US page and complete the form.
- We will be in touch with you very soon.

If the FAQs does not list the question or the customer is facing another problem then the customer can contact the operator via the App as shown below:



- Contact us allows the member to call/send e-mail.
- On e-mail the headline defines the issue. User details are included as well.

# About Us

## **Put a rocket under your loyalty program:**

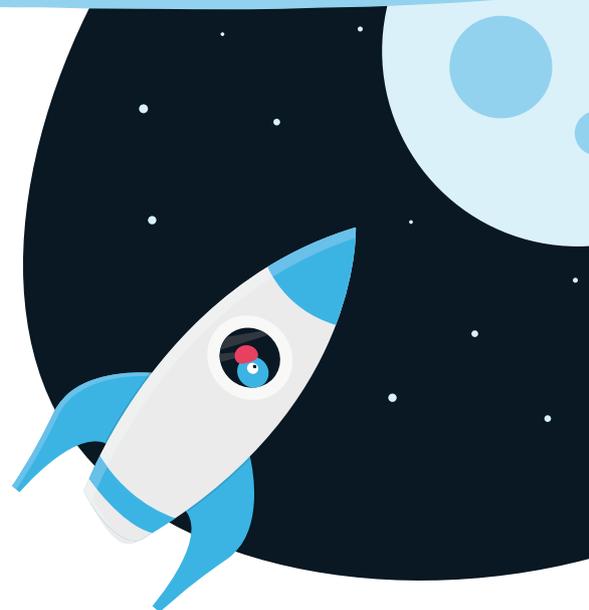
With our loyalty platform, we help design and operate world-class, tailor-made subscription and reward programs that make sure your customers always come back.

## **Your customers will be over the moon:**

Our goal is to bring your customers into a future of loyalty that is more engaging, convenient, fun and intelligent.

## **Feel like a rocket scientist:**

We give you the building blocks you need to create the ultimate rocket ship that will launch you into the future of loyalty. Our loyalty platform is easy-to-use and designed specifically for the convenience retail industry.



## Who we are

“Our people are among the world’s foremost experts in engaging and retaining convenience retail customers, and we are passionate about the future of loyalty.”



Visit [liquidbarcodes.com](https://liquidbarcodes.com) to learn more!



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## We bring you the future of loyalty.

Whether the consumer wants the ultimate convenience with subscriptions or to earn stamps or points, our loyalty platform makes sure they keep coming back to your convenience stores. Our tailor-made products make building loyalty a breeze for you - and fun and easy for your customers.