2630 Whats Better Than a Loyalty Program

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The loyalty program is the industry's answer to the question of how to keep Guests coming back. It is the wrong answer.

Not because loyalty programs don't work. They work exactly as designed. The Guest accumulates points. The points produce a free appetizer. The Guest returns for the appetizer. The operation declares the program a success.

What the program did not produce is loyalty. It produced a transaction with a delayed reward. The Guest who has enough points for a free dessert is not loyal to the operation — they are loyal to the accumulation. Take away the points and find out immediately whether there was a relationship underneath. There almost never is.

The loyalty program is a Road 1 tool applied to a Road 2 problem. It measures frequency and rewards transaction. It has nothing to do with relationship. And the operator who confuses a Guest's point balance with their loyalty has confused a metric for a relationship.

The VIP designation is the same problem with a status upgrade. The operation decides who qualifies, what they get, and what they have to do to keep the designation. The Guest is responding to a structure the operation designed. The relationship is between the Guest and the status — not between the Guest and the place.

I spent years asking the same question: is this all there is? The answer is no. But the alternative requires the operation to have built something worth belonging to first.

What a Membership Is Not

A membership is not a better loyalty program. It is not a VIP club with a monthly fee. It is not a punch card scaled up. It is not a subscription to a discount.

Every one of those models is operator-centric — the operation decides what the Guest receives in exchange for their behavior or their spend. The Guest is responding to an incentive structure. The relationship flows in one direction.

What a Membership Is

A membership is a declared affiliation. The Guest makes the first move. They pay forward. They opt in before any transaction occurs. They are not responding to an incentive — they are making a commitment.

That inversion is everything. The loyalty program is something the operation does to Guests. The membership is something Guests choose to do with the operation.

The Guest who pays for a membership is a stakeholder. They have skin in the game. They arrive differently — not evaluating whether to come back, but honoring a commitment they already made. The [Trust Arc] on the first visit after membership is structurally different from the [Trust Arc] on any visit before it. The provisional trust that every new visit requires is already resolved. The member arrives pre-opened.

Research on stakeholder behavior confirms what operators who have run memberships already know: the higher the investment, the more the stakeholder defends the relationship. The member who paid for a year is more forgiving of a miss than the Guest who paid for a meal. Not because they are irrational — because they have a declared stake in the relationship succeeding. That stake works in the operator's favor every time.

55% of adults say they would pay for a subscription to a restaurant in their neighborhood. Among millennials the number is higher. The demand exists. Most operators never build the supply because they have not built the foundation the membership requires.

What the Membership Requires

The membership only works when there is something worth belonging to.

This is the section's most important sentence. The operator who launches a membership on an operation that has not done the Value Building work has not created a membership. They have created a prepaid discount program with better branding. The Guest who joins it and finds nothing special on the other side of the commitment will not renew — and will tell people why.

The membership is not the shortcut to building something worth belonging to. It is the reward for having already built it. The prerequisites are not optional.

Do you already have established, loyal Guests? If yes, you have the foundation. The Guests who will join a membership are the ones who already love the operation and visit it frequently. You are not selling them something new — you are offering them a formal way to deepen a relationship

they already want. If the answer is no, the membership will not create loyal Guests. Nothing will except the work of building the relationship one visit at a time.

Have you built something worth belonging to? Not just something Guests enjoy visiting. Something they would miss. Something they would tell a stranger about. Something that would feel like a loss if it closed. If yes — and only if yes — a membership has something to formalize.

What the Membership Delivers

Three levels. Each one deeper than a loyalty program can reach.

Access — the things the non-member cannot get. The wine tasting before the new list launches. The menu preview before the seasonal rollout. The private dinner designed specifically for members. The kitchen tour. The introduction to the kitchen manager and the crew. The farm visit. The vineyard trip. The supplier relationship made visible. The operation takes the member inside its world — its sourcing, its thinking, its values made tangible. That access is not available to anyone else. It cannot be replicated by a competitor. It is the operation's relationships, extended to the Guest as a privilege of membership.

Recognition — the member arrives known. Not by a scan or a card number. By relationship. The host knows them. The cast knows their preferences, their occasions, their history with the operation. The visit does not start from zero. The [Guest History] the operation has been building pays forward at every visit. The member does not have to explain themselves. They are already inside.

Community — members know each other. The operation becomes the shared context of a group of people who belong to the same thing. The special dinner is not just an evening with the operation — it is an evening with other members. The wine tasting is not just access to the sommelier — it is a shared experience with people who share the same affiliation. The operation becomes the hub of a community, not just the destination for individual Guest relationships. And the Guest who has friends inside the membership, who attends events with other members, who is part of something that exists because of this operation — that Guest does not leave. Not because of the value. Because of the people.

What the Membership Looks Like

There is no template. That is the point.

Every independent operator who builds a membership builds it from their own Guest base, their own vendor relationships, their own community, their own strengths. The sommelier with a winery connection. The kitchen manager who knows the farmer. The operator who has been in the community long enough to know which Guests would drive two hours for a private dinner. The local school the operation sponsors, the charity it supports, the causes it shares with the Guests who chose it.

The chain cannot do this. Their scale requires standardization. Their memberships produce the same experience in every market — which means no experience specific to any market. The independent's advantage is specificity. The membership that only works at this restaurant, with these Guests, through these relationships, is the one that produces the deepest belonging — because it is unreplicable.

What the membership can include:

Special dinners designed for members only. Wine, spirit, and food tastings with the people who made what is on the table. Vendor meetings — the winemaker, the farmer, the distiller, the butcher. Offsite trips and tours — the farm, the winery, the market, the supplier. Behind-the-scenes access — the kitchen, the cellar, the prep, the sourcing conversation. Priority reservations on nights when the room is full. Personal outreach on occasions the operation knows about. Early access to new menus, seasonal changes, and limited offerings.

The ceiling is wherever the operator's relationships and their Guests' desires converge. Every operation that has done the work has a different ceiling. That is the membership's structural advantage over every standardized loyalty program in the industry.

The Revenue Is the Byproduct

The membership that is designed to generate predictable revenue will produce a different product than the membership designed to deepen the relationship. Both will generate revenue. Only one will generate belonging.

The operator who builds a membership to hit a monthly revenue target has built a subscription service. The operator who builds a membership to formalize and deepen the relationships that already exist has built something the Guest will defend, renew, and tell everyone they know about.

The revenue is real — recurring, predictable, and structurally stabilizing for an operation that has historically lived visit to visit. But the revenue is the byproduct of the relationship, not the goal of it. Design for the relationship. The revenue follows.

What Changes Tomorrow

Pull your Guest data and identify your top 10% by visit frequency and relationship depth — the Guests whose occasions you know, whose preferences you have tracked, whose relationship with the operation has genuine history. That cohort is your founding membership. Before you build a program, reach out to them. Not to sell them something. To ask what would make their relationship with the operation more meaningful. What would they value that they cannot currently get? What would they pay for that does not yet exist? Their answers are the membership. Build it around what they tell you and you will have built something no chain, no loyalty program, and no competitor can replicate. The founding membership does not need to be large. It needs to be right. Ten members who belong deeply are worth more than a hundred who joined for the discount.