



CASE STUDY

Cheba Hut

From Dormant Loyalty Program to Growth Engine:
How Cheba Hut Increased Active Member Engagement 2.7x and Loyalty Revenue Capture 2.65x by Transitioning from Punchh to Thanx

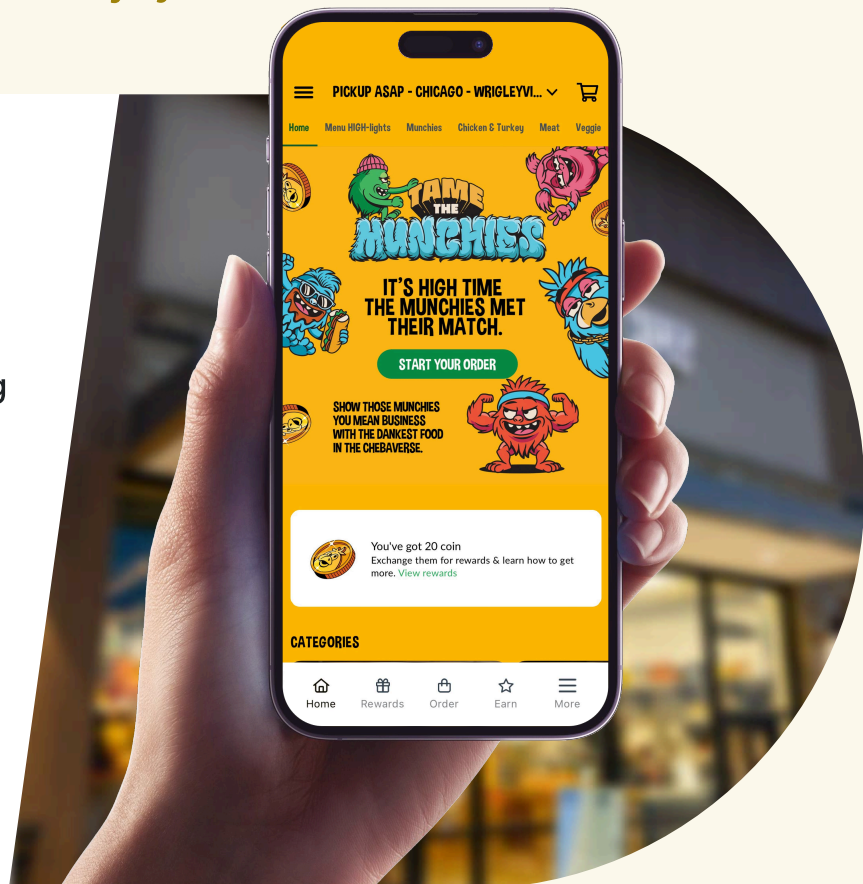
Industry:
Fast Casual Restaurant

Locations:
84+

Launched with Thanx:
July 2025

“We turned our capture rate from 7.5% to 20%. In the months after launching the program, each of our shops was achieving eight times the number of signups per month than they were on Punchh. Those things played out exactly how we had hoped and made the exact impact we wanted.

Adam Porter, Senior Director of Marketing, Cheba Hut





Background

Since 1998, Cheba Hut has built a cult following around toasted subs, counterculture vibes, and a guest experience centered on authentic human connection. As the brand expanded across more than 80 locations, loyalty became increasingly important to maintaining direct relationships with guests and driving repeat visits.

But despite having a large loyalty database accumulated over many years, Cheba Hut's existing program with Punchh had become largely irrelevant to the business. Franchisees rarely discussed it. Marketing had limited visibility into guest behavior. Enrollment growth was stagnant, and the program captured only a small fraction of customer transactions.

For Adam Porter, Senior Director of Marketing, the challenge was clear: loyalty needed to become a meaningful growth lever rather than a passive database.

The Challenge

Cheba Hut didn't have an awareness problem. The brand already had nearly 450,000 guest records in its loyalty system, but only 24% actively participated, and loyalty accounted for just 7.5% of restaurant revenue. Enrollment was slow, about five new members per location per day, due to a signup process that required guests to download an app and complete a lengthy registration. Meanwhile, app updates were slow and costly, creating operational bottlenecks that delayed even simple marketing changes.

For Porter, the challenge came down to two priorities: increase enrollment and drive participation and revenue capture. Neither metric was improving.

The Solution

Cheba Hut selected Thanx to simplify the guest experience and make loyalty more actionable. By reducing enrollment friction and improving guest identification and marketing capabilities, the brand aimed to increase enrollment, participation, and revenue capture.

The migration was completed in just four months, allowing Cheba Hut to transition before its existing contract expired. According to Porter, the process was seamless, with clear documentation and no significant obstacles. Rather than preserving every historical guest record, the team focused on retaining the guests who were actively engaged with the brand.

Strategy and Implementation

Cheba Hut's loyalty transformation focused on five key areas:

- ✔ Simplified enrollment through Thanx's web-based signup experience
- ✔ Frictionless guest identification across digital and in-store channels
- ✔ Migration of active loyalty members from the previous platform
- ✔ Franchisee empowerment through local marketing and segmentation tools
- ✔ Lifecycle marketing campaigns designed to increase participation and frequency

Simplified Enrollment Drove 4x Faster Member Acquisition

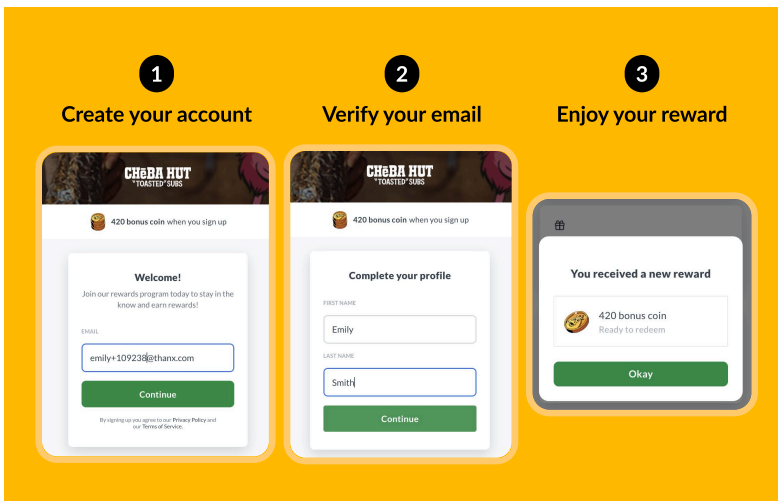
The previous loyalty experience relied heavily on app downloads and lengthy registration forms, creating barriers that discouraged enrollment. Because Cheba Hut rarely relies on discounts to drive behavior, the team needed a way to grow membership without offering an expensive signup incentive. Thanx's "App-less" enrollment flow allowed guests to join quickly with minimal information, eliminating one of the largest points of friction in the customer journey.

The impact was immediate.

Within 11 months, Cheba Hut enrolled more than 562,000 members, surpassing the size of its entire legacy database accumulated over many years.

Enrollment accelerated to roughly 20 new members per location per day, more than four times the acquisition rate achieved under the previous program.

28% of the legacy database migrated into the new program, notable, since their pre-launch analysis showed that only 24% of guests in the old database had engaged with the brand in the previous year. Rather than carrying forward years of inactive records, Cheba Hut retained the customers who still cared about the brand while rapidly acquiring new members who were actively participating. The result was not simply a larger database, but a much healthier one.



“Thanx has done a great job at nailing the things that really matter in loyalty and focusing on the right things.”

Adam Porter, Senior Director of Marketing, Cheba Hut

Loyalty Revenue Capture Increased from 7.5% to 20%

One of Cheba Hut's primary goals was increasing guest identification. As enrollment accelerated and more transactions became associated with loyalty accounts, revenue capture grew dramatically.

Loyalty revenue capture increased from 7.5% under the previous platform to approximately 20% within six months of launch.

This growth created value beyond the marketing department. Franchisees gained access to significantly larger audiences that could be reached through email, push notifications, and rewards campaigns without relying on paid advertising. For many operators, it was the first time loyalty became a meaningful business tool rather than an overlooked technology expense.

Active Members Increased 2.7x

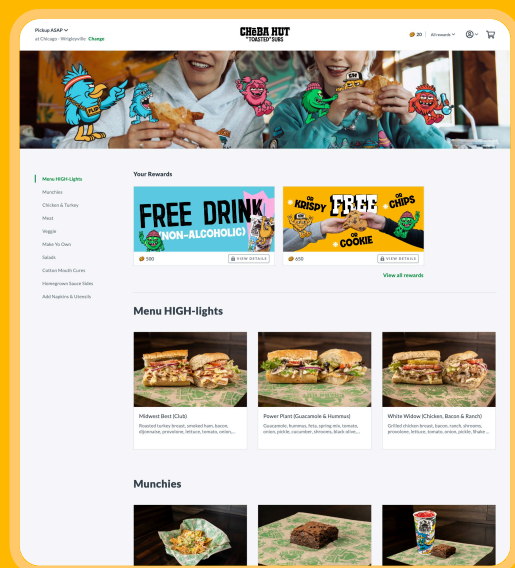
Enrollment growth alone does not create value unless members remain active. Cheba Hut's active member rate improved from 15.5% under the previous program to more than 41% under Thanx, resulting in a 2.7x increase in active members.

Approximately four out of every ten loyalty members now make a purchase within a trailing 90-day period.

A significant driver of this improvement was the broader audience entering the program. Rather than capturing only highly loyal guests willing to complete a cumbersome signup process, Cheba Hut began identifying guests across a wider range of visit frequencies. This created a larger pool of customers who could be nurtured into more habitual behavior through targeted engagement strategies.

“We're capturing and signing up lots of people that have a lower frequency than we've ever had in a loyalty program before. Now we have the opportunity to activate people we have never been able to talk to before.”

Adam Porter, Senior Director of Marketing,
Cheba Hut



A Campaign, Munchie Mania, Turned Dormant Guests Into Active Customers

A few months post-launch, Cheba Hut launched its first large-scale loyalty campaign: Munchie Mania. The five-week promotion rewarded members with free menu add-ons such as cookies, chips, pretzel nuggets, and cheese bread while encouraging additional purchases through minimum-spend requirements.

The goals were simple:

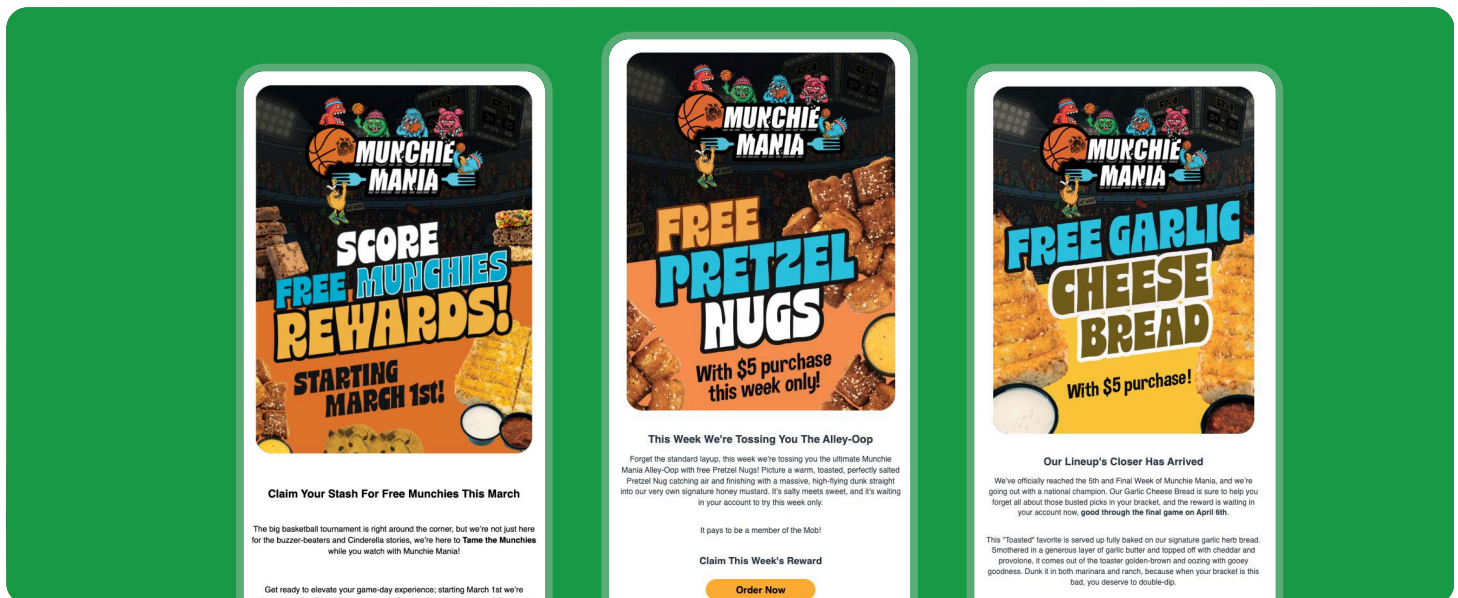
- ✓ Increase guest frequency
- ✓ Introduce members to new menu items
- ✓ Re-engage lower-frequency guests

The campaign generated approximately **34,000** redemptions and more than **\$870,000** in associated revenue. Loyalty transactions per day increased more than 18%, loyalty revenue per day increased 16.5%, and monthly engaged members increased 38%.

Most notably, the campaign successfully activated the exact audience Cheba Hut hoped to reach. Guests who had previously shown little engagement with the brand responded at higher rates than frequent visitors, demonstrating the value of building a larger and more diverse loyalty audience. Rather than rewarding behavior that already existed, the campaign created incremental engagement among guests who were most at risk of becoming inactive.

From App Development to Strategic Marketing

Beyond the performance metrics, one of the most significant changes was operational. Under the previous platform, marketing resources were frequently consumed by app development, technical troubleshooting, and support issues. With Thanx providing a highly customizable app out-of-the-box, the team no longer needed to focus on managing app development resources at Punchh. Instead of spending time keeping the program operational, marketers could focus on understanding guest behavior, developing new campaigns, and sharing insights throughout the organization.



Results



2.7X

INCREASE IN ACTIVE MEMBERS

15.5% to 41.1%



7.5% → 20%

INCREASE IN LOYALTY REVENUE CAPTURE

7.5% to 19.9%



4X

INCREASE IN SIGN-UPS/LOC/DAY

5.1 to 21 signups per location per day



562,090

MEMBERS ENROLLED IN 11 MONTHS

Surpassing the entire previous database



16.6%

HIGHER AVERAGE CHECK VALUE

For loyalty members versus non-members

In less than a year, Cheba Hut transformed loyalty from an inactive database into a measurable growth asset. Enrollment accelerated, engagement more than doubled, and loyalty capture nearly tripled. More importantly, the program now provides franchisees and marketers with a meaningful way to identify, understand, and influence guest behavior.

The program isn't simply larger—it is significantly more engaged, more measurable, and more actionable.

Conclusion

By transitioning from Punchh to Thanx, Cheba Hut saw a complete transformation in their marketing metrics. By removing friction from enrollment, focusing on active guests, and building campaigns that drive meaningful participation, the brand turned loyalty into a strategic growth engine. Today, Cheba Hut has a larger, more engaged audience, stronger visibility into customer behavior, and a platform that allows marketers to focus on growth rather than maintenance. The brand has created a foundation for continued expansion in the years ahead.

Want to grow same-store sales with Thanx's industry-leading guest engagement platform and best-in-class user experiences?

[Schedule a demo](#)