



\$68.1M

Total funding raised with Sapphire leading the company's Series C and B rounds.

160M

Consumers engaging with Punchh platform worldwide.

95K

Locations with operating Punchh customers.



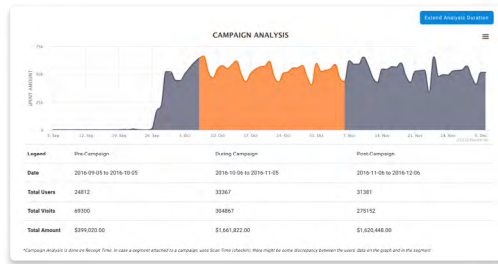
There were a number of things that were critical to us when partnering with Sapphire. The first is that Sapphire is a thought leader in the B2B investment space. The firm has invested in and helped guide dozens of innovative enterprise software companies, and they have experience, knowledge, mentorship, and a talent network stemming from it, which was incredibly attractive to us."

Anish Mehta
CFO & COO, Punchh

Punchh and Sapphire Ventures: Partners in Improving Customer Loyalty and Engagement for Brick-and-Mortar Retailers

When Punchh was founded in 2010, many retail technology trends were just beginning to take shape. Consumers were moving towards mobile, cloud computing was picking up speed, and analysts were heralding the consumerization of IT.¹ Innovation in retail was reaching new heights online and via mobile channels, but Punchh co-founders Shyam Rao and Sastry Penumarthy saw that innovation had stalled for the in-store experience.²

While omnichannel was a popular buzzword, delivering a connected consumer experience remained difficult for brick-and-mortar businesses. Shyam and Sastry believed that they could build a solution that improved the in-store experience by digitizing a customer's identity and preferences based on their in-store interactions. With the creation of Punchh, the co-founders developed a personalized marketing product that revolutionized the in-store channel responsible for roughly 90% of traffic.



Punchh's cloud-hosted connected consumer solutions enable deep analytics for retailers

While Shyam and Sastry were evangelizing the idea of digitizing in-store interactions and working on building necessary integrations, Starbucks debuted an app that would accelerate Punchh's message. "Starbucks came out with an app that really put into words what was being pitched by the Punchh team," says CFO and COO Anish Mehta. "...and Punchh really took off."

Customers were able to instantaneously understand the value Punchh generated and started coming on board. All the hard work the team had done building the product and making sure integrations were in place paid off, and Punchh was able to execute fast.

Sapphire Invests in Punchh to Enable Retailers to Compete at the Speed of Amazon

The strength of Punchh team's vision and product, and the feedback from early customers spurred Sapphire Ventures to lead Punchh's Series B round in 2018.³ "Punchh allowed retailers to compete at the speed of Amazon with impressive out-of-the-box functionality and significant customizability," says Sapphire Ventures, President and Managing Director Jai Das. "They could meet retailers where they were in terms of IT capabilities, but also offered a roadmap that helped them achieve the future."

"We're in marketing, and Sapphire, Jai, and Nino understand that space well. In addition, many VCs are pure investors — they give you capital and some board participation. Sapphire has a strong infrastructure outside of investing, including its talent network, business development team, and more — all services a young startup like ours could benefit from," says Anish, CFO & COO of Punchh.



Shyam Rao, CEO and Co-Founder, Punchh

From initial investment onward, Sapphire's Portfolio Growth team partnered with Punchh to provide services across a variety of different disciplines. Sapphire's talent team utilized its network to help Punchh find and hire talent as it scaled, and also sourced a professional employer organization to hire its Canadian hub. "The Sapphire Ventures' Talent Network



1 Gigaom: The Consumerization of IT
2 Punchh Homepage
3 Sapphire | Medium: Punchh-ing For Retailers Who Are Battling Amazon



Sapphire has facilitated numerous introductions to partners and potential customers for us. The team always makes a point of putting Punchh in front of the best and most important brands that we could be selling to."

Shyam Rao
CEO & Co-Founder, Punchh

helped Punchh find several key team members including our chief of staff, vice president of finance, and a strategic advisor to the firm. They also helped us think through and successfully staff Punchh's engineering hub for artificial intelligence based in Toronto," says Shyam. "The Sapphire Talent team are true partners to Punchh as we scale our business."

In addition to Sapphire's talent platform, Jai utilized his professional network to help Punchh hire key executive roles. "Jai was part of recruiting me to join Punchh," says Anish. "And he's helped us recruit other folks over the years. Even our CRO came from Jai's network."

While Jai and the firm's talent team helped Punchh level up its talent, Sapphire's business development team helped the company scale the startup. The team introduced Punchh to major brands, connecting them to the SAP ecosystem and making critical deal interventions. "As an example, TGI Friday's was planning to use SAP Hybris for its Commerce Cloud. We were selling loyalty and needed to integrate with SAP," explains Shyam. "Through Sapphire, we got the intro to the SAP team to make the pitch, and it was effectively a joint sale."

Punchh Leads the Way for Retail's Recovery Amidst COVID and Beyond

Sapphire reiterated its commitment to Punchh's product and vision by leading the company's Series C financing in 2019.⁴ Since then, the exogenous shock of COVID-19 has presented a new set of challenges for restaurants and retailers, which Punchh is poised to help them weather.

As Forbes notes, many in the restaurant industry believe "a strong loyalty program can mean the difference between concepts that thrive in this crisis, and those that merely survive."⁵ Punchh co-founder Sastry adds, "When we think about loyalty, it's not just the program. We're thinking about the consumers behind the scenes and the insights about those consumers." Punchh provides customers with insights across all channels, including who the most valuable consumers are, as well as their purchasing patterns. If you're a brand that delivers breakfast for example, Punchh can tell you in real-time how the pandemic is affecting traffic, which consumers are affected and how they are shifting their spend, allowing you to adjust strategies accordingly.

Punchh has enabled brands like Taco Bell to roll out loyalty programs that build buzz and sustain business during unpredictable times. "We stand by our customers when they need us, and we've found out through this period that all of them considered us mission critical," says Anish. "A mission critical solution has to be a great partner and work during the best of times and the not so good times, which we've done. This is why we've had nearly zero churn in 2020. We've helped our customers and learned they absolutely need us — more now than ever. We take that responsibility very seriously."

In the U.S. alone, 160 million consumers engage with the Punchh platform through the brands that it works with. The company's portfolio of customers operate almost 95,000 locations and Punchh has visibility into data on billions of dollars of commerce that occur at those locations, whether in-store or online.

For more information about Sapphire Ventures, visit www.sapphireventures.com.

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⁴ Sapphire Ventures: 'Punchh: Helping Retailers Understand Online and In-store Customers with their AI/ML Platform'
⁵ Forbes: Why Some Restaurant Chains Are Ramping Up Their Loyalty Programs During This Crisis