

MARKETING & CONSUMER INSIGHT SEMINAR

SEVEN STEPS TO MODERN MARKETING

Peach's sell-out 2012 Marketing & Consumer Insight Seminar gave operators a host of top tips for 21st century marketing. **Tom Holman** rounds up seven key lessons from the experts

1 GIVE A GREAT EXPERIENCE

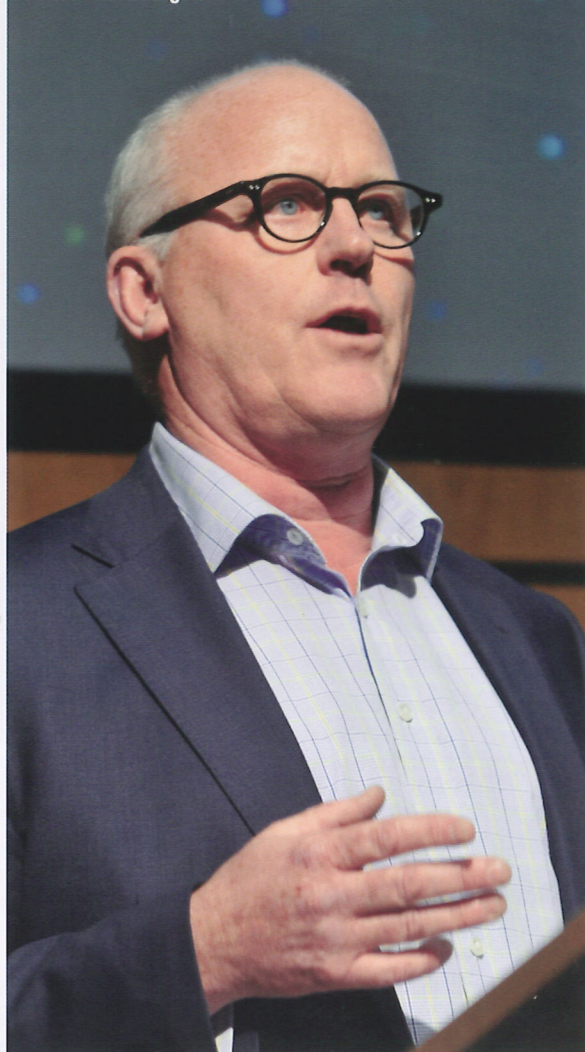
If marketing is all about making promises to customers, then pubs, bars and restaurants need to keep those promises when they pull people through their doors.

That was one of the recurring messages of Peach's 2012 Marketing & Consumer Insight Seminar from speakers including **BrandVista** chief executive **Andrew Stothert**. He told delegates that social media such as Twitter and Facebook, and new digital technologies including smartphones, had changed the landscape of marketing, heralding a "whole new era" of brand building. But without great operations and customer service, marketing counts for nothing. "Experience is king. Delivering consistently brilliantly is what it's all about."

Stothert stressed the importance of aligning brands across all facets of a business, and not just marketing. "The brand builders within your business have changed," he said, highlighting the need to get all staff on board with marketing and other strategies. "It's all about a new collaboration. Operations and marketing have to work together to deliver brands."

Operators should think outside the box and get down and dirty when it

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comes to brand research, thinking laterally, walking through their venues like a customer and checking out the competition: "Your customers will tell you where you can and can't go, but you also need to get into the jungle. Be adventurous in how you research." It is vital to identify "signature points" of your offer and keep on top of your brand around the clock, Stothert said. "It's your brand: never let it out of your sight."

2 INTEGRATE YOUR MARKETING

Marketing has become a pivotal discipline that deserves to be taken seriously across the entire business, Peach's seminar was told. **Peach** chief executive and event chair **Peter Martin** said marketing was now a core discipline for pubs and restaurants, and more important than ever in attracting customers to brands in a crowded market. But he also suggested that marketing strategies were changing fast, driven in new directions by emerging technology and changing consumer behaviour, and marketing needed to make a bigger noise in the boardroom: "There's a real sense that marketing is at a crossroads. Its role within companies is being questioned

intelligently. But it is also the discipline that at board level has had the least confidence in its abilities."

The importance of marketing is backed up by findings from Peach's Business Leaders' Survey and BrandTrack research, revealed in the last issue of *Peach Report*. The business leaders' survey found that leaders put a clearly differentiated offer, and strong brand identity, as their top two operational challenges for 2012. Meeting both challenges will require brands to weave marketing into the fabric of their operations. "We're seeing an effort to align operations and marketing more closely to drive businesses forward," Martin said. "The challenge for the market today is to get that balance right."

Key marketing trends for the year emerging from Peach's twin studies include the growing importance of mobile marketing, and a desire to move away from discounts as a driver of footfall. But whether that will actually stem the flood of vouchers in pubs and restaurants remains to be seen. "People want to move away from discounts, but there's little confidence that the market as a whole will do it," Martin said.

3 RESEARCH YOUR CUSTOMERS

Good marketing always starts with sharp consumer insights, **Nielsen** **Harrap**, associate partner at CACI, told the seminar.

Research backs up instinct, he argued. "It's about making sure that gut feel is correct. While the customer may not always be right, you have to understand what they want." At a time when new technology is changing consumers' habits and preferences, consumer insight was more important than ever, as was gathering as much data as possible about the people who use your pubs and restaurants: "Make sure your data works for you."

Harrap was another speaker to spotlight the thorny issue of discounting. He argued that it was time for marketing teams to wean customers off the deals they have grown accustomed to: "Vouchers clearly devalue the product in the

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"London is going to be the tipping point for cashless. Contactless is going to be big, but I think mobile payment will overtake it. We're going to see much more of that [mobile payment] in pubs and restaurants." Paul Broome



Smart Phone Socialite Brands

Brand	Smart Phone Ownership
Eat	90%
Giraffe	87%
Pizza Express	84%
Caffé Nero	84%
Prêt à Manger	84%
Strada	80%
Wagamama	79%
Starbucks	78%
Gourmet Burger Kitchen	78%
YO! Sushi	77%
Carluccios	77%
Slug and Lettuce	74%
Las Iguanas	74%
Jamie's Italian	74%

Source: CACI/Peach BrandTrack

eyes of your customers." Discounting not only means a short-term hit on margins, it stores up long-term problems for brands, he said, warning that operators should try to give customers a "soft landing" when planning for life after discounting, instead of forcing them to go cold turkey.

Harrap's own consumer analysis identified a "squeezed middle" of hard-pressed pub and restaurant users who feel gloomy about their financial prospects: "There are plenty of families in Middle England that are feeling the squeeze. They are going to reduce their spending over the next year and beyond." Like several other seminar speakers, he emphasised the importance of great delivery in appealing to these and other customers. "The marketing message can be spot-on, but if it doesn't fulfil its promise when the diner sits down at the table, then the damage is done."

4 REACH THE MOBILE GENERATION

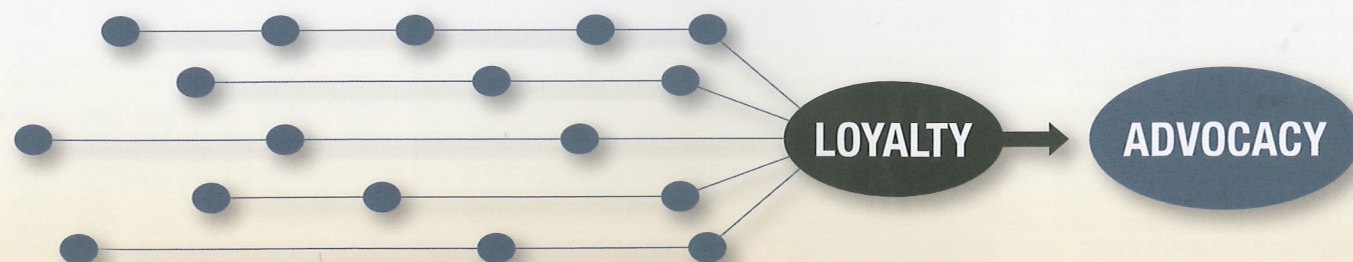
The relentless rise of the smartphone means that customers now want to discover, communicate and even pay from their mobile devices. "People want their offers on social media and mobile platforms now," said **Paul Broome**, chief technology officer at **Torex** in a seminar session on changing technology. He singled out Twitter as a vital platform for mobile users, and urged operators

empathica

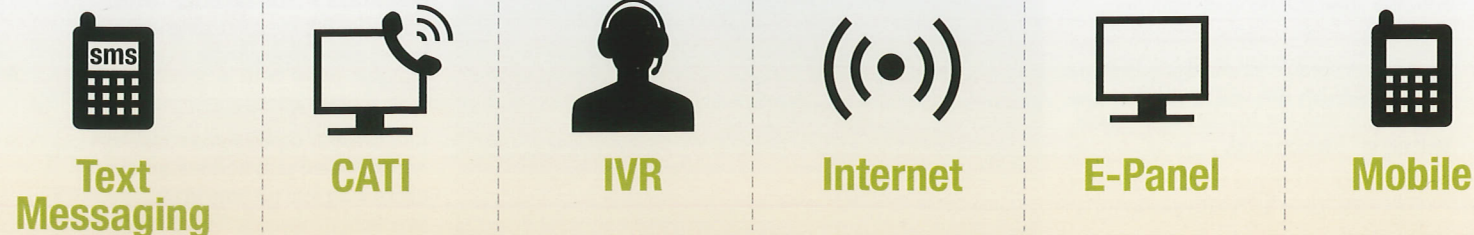
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to use it for marketing and customer engagement. "Twitter is so pervasive now. More and more campaigns are going to go through it." QR codes, used by some brands to pull in smartphone users but still relatively underexploited, are another powerful weapon in the marketing armoury.

The numbers of people using their phones to pay for meals and drinks will rocket this year, Broome said, pointing to Transport for London's decision to start accepting contactless debit and credit cards later this year as a key moment. "London is going to be the tipping point for cashless," he suggested. "Contactless is going to be big, but I think mobile payment will overtake it." He singled out Kenya's popular M-Pesa system of payment-by-phone as an example of how the future might look in the UK. "We're going to see much more of that [mobile payment] in pubs and restaurants."

Broome also reminded operators of the need to measure the effectiveness of marketing campaigns, and in particular to integrate them with POS systems to spot where and when promotional offers are being redeemed, so that they can reach "the holy grail of operational understanding".

5 AUGMENT YOUR REALITIES

The next big thing in mobile phone technology will be augmented reality applications, the seminar heard. **Tamara Roukaerts**, head of marketing for Aurasma at Autonomy, demonstrated her company's Aurasma technology, which allows smartphone users to augment real-world items with video or animated clips when they scan them with their device, a kind of rocket-fuelled QR code. The technology's potential for pubs and restaurants, on menus, beer pump clips, wine bottles and so on, is huge, she said.

Tracy Askam, director of rich media products at Autonomy, flagged up the need to get a grip on the avalanche of online information about brands now generated by customers, including some 97,000 tweets a second, 12 million texts a minute and 294 billion emails a day. "Human



"If you haven't yet got a handle on the voice of your consumer, you really have to do something about it."
Tamara Roukaerts

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Mike Amos



TRENDS: CONFERENCE REPORT

information is very unstructured now," Askam said. "We're seeing a lot of information being gathered [by businesses] in silos. To really hear the voice of the consumer now, you need to have a real-time understanding of all customer data across all the channels they use."

Data-crunching tools from Autonomy can help to sift through the conversations for important nuggets of information that can enhance a business. "If you haven't yet got a handle on the voice of your consumer, you really have to do something about it," Roukaerts said. If we think things are complex enough now, we need to be ready for more technology like augmented reality, Askam added. "You're controlling this environment, but what's coming tomorrow? We don't know what it's going to be, but we have to be ready for it."

6 STAY TRUE TO YOURSELF

Businesses need to be authentic and play to their strengths if they are to reinforce their marketing messages with customers, **Empathica's** chief executive, **Mike Amos** told the Peach seminar.

Rather than trying to be great at everything, from value to quality, brands should identify what they can offer that is different or better than everyone else out there, he said. "I don't believe you can win at everything. The real genius is to decide to lose on some things so you can win on others," Amos said. "Don't be tempted to be like everyone else. Be the best you can be and stay true to who you are."

Marketing can only be successful if operators deliver at the table, he argued. "Ultimately, your brand experiences are what communicate what your brand really is." Giving customers a great time will in turn help brands to generate "active advocacy" from people who sing their praises online. Controlling what people say about you is impossible, but it is worth remembering that consumers now view brands like friends and family, as "just another personality to have a conversation with." The fact that people have so many brands, and platforms like social media, at their fingertips

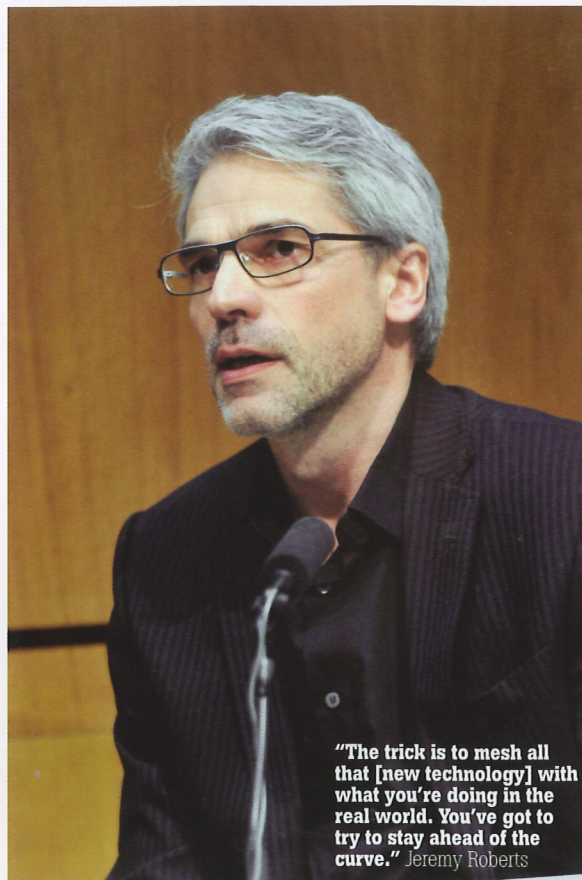
now means that companies have to work extra hard for their loyalty, Amos said. "Consumers are as discriminating now as they've ever been, if not more so."

Customer research can help to sharpen your marketing message, but it needs to have a sharper edge than blunt tools like report cards. "You've got to ask people the right questions. Customers are irrational – they don't go through your restaurant with a checklist," Amos said. "Research that doesn't change either people's minds or your own strategy isn't worth doing." He also hailed restaurants' abilities to make people happy in their day-to-day lives: "Something magical happens in a restaurant when everything is going right – you create that magic."

7 MAKE THE DIGITAL PHYSICAL

Innovative digital marketing is all well and good, but it counts for nothing if it doesn't get customers into pubs and restaurants in the first place. That was one of the messages from a panel of four leading operators, who emphasised the seminar's key theme, that great marketing needs to be backed up by action. "It's all about making sure that digital becomes physical, about getting people into restaurants," said **Alison Vickers, director of YO! Sushi**. Her company has been at the leading edge of the industry's marketing, and now has around 100,000 Facebook fans, 20,000 Twitter followers and 300,000 people on its database. Vickers revealed that YO! would soon start using tablets to take people's orders in restaurants, something that is becoming widespread in the US and is now starting to catch on in the UK.

Tablets are also being used in some of the upmarket venues of the North West of England group Living Ventures, which has capitalised on online booking and is now trying to make wider use of its customer data. "The trick is to mesh all that [new technology] with what you're doing in the real world," said **Jeremy Roberts, Living Ventures' commercial director**. He stressed the need to



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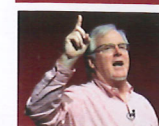
"Novus draws 60% of its turnover from our web-based sales system and we're now trying to push that to 70%." **Steve Richards**

keep up to speed with fast-changing marketing techniques: "You've got to try to stay ahead of the curve."

Ed Turner, commercial director at Young's and Geronimo, admitted that the pub sector had lagged behind restaurants in its use of systems such as online bookings. "Pubs are well behind in terms of technology. Part of their character is the physical interaction, but you've got to keep up with the young guns."

For a template to follow, pubs could do no better than look at Novus Leisure, which draws 60% of its turnover from its web-based sales system and is now trying to push the figure to 70%. **Steve Richards, chief executive of Novus**, said the company was constantly improving and making greater use of its CRM databases, using simple pieces of data such as customers' birthdays to sell party bookings. But he, too, stressed the importance of delivery as well as marketing: "You have to be very clear if you're marketing-led or operationally led." Vickers echoed that, with a call to bring ops and marketing teams closer together: "Operators have great [marketing] ideas too... it has to be collaborative."

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You can follow Jim Sullivan on Twitter @Sullivision and get his free leadership e-newsletter at Sullivision.com. His new book *Fundamentals: 9 Ways to Be Brilliant at the New Basics* is available through Peach Report.

An A-Z Austerity Action Plan

The UK economy is sluggish at best and the recovery depressingly slow. So what's your plan, asks **Jim Sullivan**? And if you have one, does your team know how to execute it? Here are 26 fundamentals to help you keep your head in the game

A: Action is great, unless it's the wrong action.

So start here with some advice from Guy Kawasaki: always be selling, not strategising about selling. Train your customer-facing team to be service-oriented salespeople, not "order-takers".

B: Best beats first.

Master and then excel at executing the fundamentals. Do the common things uncommonly well.

C: Consistency is the backbone of great customer service and value.

Habitual consistency is the keystone of foodservice operators that succeed in good times and bad.

D: DIRFT

means Do It Right the First Time. Practice with the team, but never on the customer. Assess all processes with this question: "What could go wrong?" Then have an advance plan to minimise mistakes.

E: Everything you don't sell has a triple cost.

You pay to buy it, store it and throw it away. A pound on the shelf that you don't need is a pound wasted. But remember ...

F: Food cost is secondary to menu merchandising.

If nobody buys your food or beverage, what difference does cost make? (See "A" above.)

G: Government

and business do not go well together. Play by the rules. Don't do anything that gets the local or national government further involved in your restaurant.

H: Hiring

the right people will not ensure a manager's success, but hiring the wrong people will ensure the manager's failure. Why? See next letter.

I: Invest in people.

If your average server waits on thirty customers a shift and works six nights a week they impact 180 of your customers each week. Not having aces in your places is a big mistake.

J: Jumpstart

every shift with a clear shared goals and an energetic, focused pre-shift meeting.



K: Keep cool

when you're most busy. Grace under pressure is the hallmark of the best operators.

L: Learning

is to the team what service is to the customer. It is felt and appreciated. Give it in abundance. Learning is like rowing upstream; not to advance is to drop back.

M: Manage

in good times as if you were operating in bad times, because eventually bad times will come.

N: Never

lower your standards just so a mediocre team member can raise theirs.

O: Overteach.

Managers and employees tend to under-learn and over-forget.

P: Procrastination

is the devil's chloroform. If the task is small, do it now. If it's big, do a part of it now and a part of it tomorrow and another part the next day.

Q: Quality

is a bedrock fundamental of successful operators. Customers will forgive us for a higher price, but never for lower quality.

R: Results,

not "effort", call for reward. Get 1% better every day and where will you be 100 days from now?

S: Service

is the invisible product. Improve hospitality daily. Good service can save a bad meal. A good meal cannot save bad service.

T: Turnover

reduction must be a primary goal for 2012. Shoot for 3% less staff turnover each month, 36% by year's end.

U: Understand

how other industries excel at service, selling, recruiting, training. Study retail, manufacturing and internet companies. The best practices in foodservice are not that great.

V: Value

is determined by the guest. It combines quality, price, service, cleanliness and sometimes, speed. It's made up of a thousand little things we do day and day out that the customer may not even notice ... until we don't do them. Get the basics down pat.

W: Winning is not a "sometime" thing.

You don't win once in a while, you don't do things right once in a while, you do them right all of the time. "Winning is a habit. Unfortunately, so is losing" – Vince Lombardi

X: X-rays

reveal what's below the surface. Take a good look at the underlying systems and processes that support your operation. Improve each one each week. Don't wake up a year from now to find yourself 52 potential improvements behind.

Y: Yoda

said it best: Do or do not. There is no "try". Execution is everything.

Z: Zealot

is defined in the dictionary as "a fanatical partisan". Create the kind of experiences that transform casual customers into brand apostles for your business. There's an epidemic of sameness in foodservice today that presents real opportunity for operators focused on passion, purpose and performance, one customer, one transaction at a time. The little things are really the Big Things.

Jim Sullivan's only UK Workshop in 2012 is on 19 September at the IMAX Cinema, Waterloo. Email christine@peach-factory.com for full details.