

Why data matters to small hospitality businesses

The power of data has yet to be realised in the hospitality industry, particularly in independent pubs and restaurants. But data needn't be daunting. In this whitepaper we aim to dispel some myths around data, guide you in ways to collect and use it in your business, and to highlight how it can help improve the customer journey.



Welcome

According to Wikipedia, data collection is the “process of gathering and measuring information on targeted variables in an established system, which then enables one to answer relevant questions and evaluate outcomes.” Sounds complicated, doesn’t it?

But it needn’t be.

In fact, a hospitality business of any size already collects data – the names and email addresses from bookings is useful data, it really can be as simple as that. The key, however, is the value that can be derived from it. So, ask yourself, are you getting any value from your data?

Data gives you an advantage when it comes to understanding your guests so that you can improve their experience





Believe it or not, data can be used to improve any and every aspect of your business – grow margins, cut waste, streamline processes, acquire new customers, improve customer service and much, much more. Nowhere, however, is data more valuable than when it comes to the customer journey.

Here, data gives you an advantage when it comes to knowing and understanding your guests so that you can improve their experience. Data can help you remove their particular pain points, personalise their journey, create a more relevant experience which increases the likelihood they will

become a loyal customer that returns again and again, recommending your pub or restaurant to family and friends.



That's why, as part of our series on Connecting the Customer Journey, we've produced this report to show operators the importance of data, how to capture it and how it can make a positive difference to their business.

Over 90%

of all the data in the world was created in the past two years

but only **0.5%** of all that data is harvested and analysed.

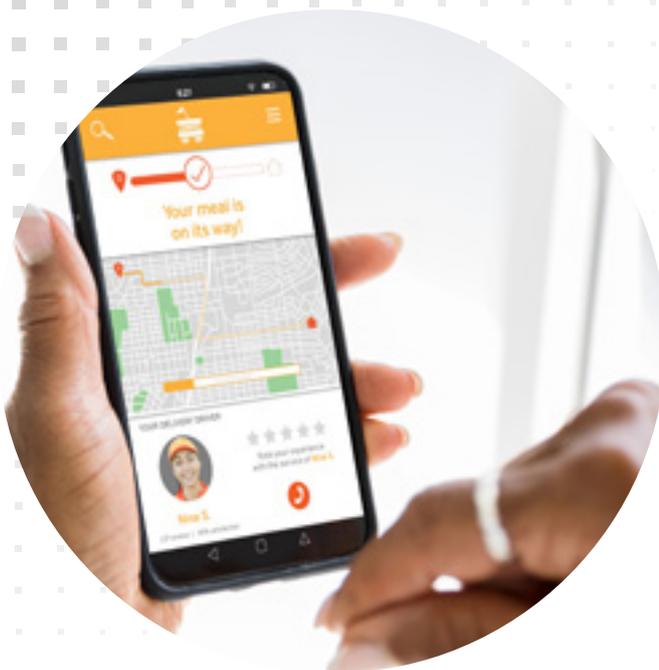
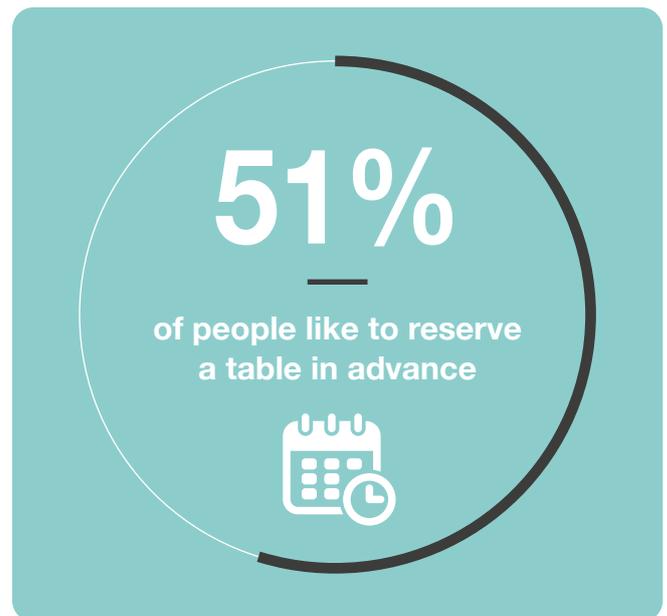
Pre-visit

Capturing data

The crucial point in the customer journey for data capture, comes even before a customer has stepped foot in your pub or restaurant. It's the booking stage.

As a result of the pandemic, pre-booking has become more popular, with research from our GO Technology report in partnership with CGA, suggesting it is a customer preference that is here to stay - 51% of people like to book a table in a restaurant or pub now.

With initiatives such as NHS Track and Trace, which has helped make data collection feel almost commonplace and had undoubtedly significantly boosted the average consumer database, reserving a table is one of the easiest ways to collect customer information.



Direct bookings are the best way for you to start this, as you hold and own the customer data rather than a third party. This can be as simple as taking a table reservation over the phone but online booking, particularly via a tablet or smartphone, has been mainstream for consumers and operators alike for over a decade now. Collecting data in this way, offers the opportunity to begin to build a database and picture of your customers.

This will then tell you, for example, when they like to visit, what time they like to eat, how often they do so and for what occasions. This enables you to provide them with a better, more personalised experience for them each time they visit and removes pain points.

For example, according to findings in the ‘Plan to Plate’ research we produced in partnership with KAM Media recently, a major point of friction for customers is having to queue for a table. So prompting customers to book (and making it easy and simple for them to do so) will remove this first barrier.

Then, at the point of booking, you can automatically offer them their favorite table, or pre-empt a birthday booking with a reminder or offer via text or email. Or perhaps when their usual Saturday night slot is looking busy nudge them to book early; if a booking is on an unusual day or for an unusually large number of people suggest an upsell for the big occasion – bottles of fizz on arrival, a celebration cake or balloons, for example.

And this is just the start of it. Combining this information with more data from when they are in-venue (such as their spend from your EPoS system) allows you to build an even more detailed picture, making the data even more valuable to your business.

“ With knowledge comes power. liveRES users can collect email addresses from online reservations and send them automated reminders ahead of bookings to reconfirm or cancel, reducing the risk of no-shows. ”
Carolyn Jordan, General Manager, Jolly Farmers

10

key data points you should be collecting

1

First name

2

Last name

3

Email address

4

Home postcode

5

Day and month of birthday

6

Dietary requirements

7

Visit frequency - total number of visits

8

Visit recency - last booked date

9

Average spend

10

Loyalty scheme member

In-venue

Using data to improve guest experiences

Hospitality operators know that guests love nothing more than being greeted as a valuable customer – this isn't just instinct and we also have the data to back it up.

Our recent customer research with our partners CGA showed that 51% of drinkers and diners like to be greeted in person, and 37% want to be welcomed as a regular.

This will be no problem for operators capturing data at the booking stage because, having done so, you will now be able to meet this need and greet all customers by name. For regular customers you will be able to offer an even more bespoke experience.



You can automatically seat them at their favourite table and pre-empt their order of a 'pint of the usual' or preferred bottle of wine (which you will have ensured you have in stock and ready-chilled). Using the information from the data you have collected, you can re-assure them that their favourite dish is available – or (because you will know from internal data) pre-warn them if it is not, removing one of the most frequent customer pain points (50% of consumers reported finding out a dish wasn't available after they'd ordered it as a top turn off, according to 'Plan to Plate' research).

And, during each visit, the picture you can build becomes more detailed. Information on allergies or intolerances can be added into the mix, for example, or if someone is on a specific diet or really, really likes a pre-prandial gin and tonic (cucumber, no lime) or apple crumble with ice-cream but not custard to finish a weekend meal - but never on a



week night – then you will know in advance and be prepared.

 **This information isn't just useful while they are in venue, either. Its real value comes in empowering you to encourage customers to return.**



Don't forget Click and Collect

When it comes to growing hospitality businesses, dine-at-home, click and collect and delivery have become even more popular with customers during the pandemic (47% of people have ordered restaurant delivery more often or as often over the last six months) and as a result many operators intend to continue offering the service. For those that do so, this too is an opportunity to capture data that can improve performance.

Food preferences, average spend and order patterns in at-home dining can be combined with information gleaned from in-venue

orders to build an even richer picture and drive promotions in both channels. A person who regularly orders a bottle of Malbec when dining in, for example, could easily be upsold one for an at home order if prompted, or a customer who only ever orders for at home dining can be incentivised to dine-in, and vice-versa.

3 ways to use data to improve things behind the scenes, too.

1 Stock control:

Remove any element of guesswork by harnessing pre-booking and customer preference data to predict what wet and dry sales are likely to be on any given evening.

2 Staffing:

Use bookings data to help inform rotas and deliver better customer service. If your Sunday service feedback isn't as good as other days, for example, then you can ensure some of your strongest team members are on hand during this shift.

3 Reduce waste:

Collating feedback data on dishes and drinks can reveal all sorts of previously unknown factors. Are some portions too big or too small, or are certain elements of a dish left on the plate more often than not? When are popular menu items going out of stock most regularly? Data from your core systems enables you to identify any bumps in service and iron them out.

Post-visit

Turbo-charge your data

Having captured data at all stages of your customers' journey thus far, you can now use that information to target them with bespoke offers and promotions to entice them back again.

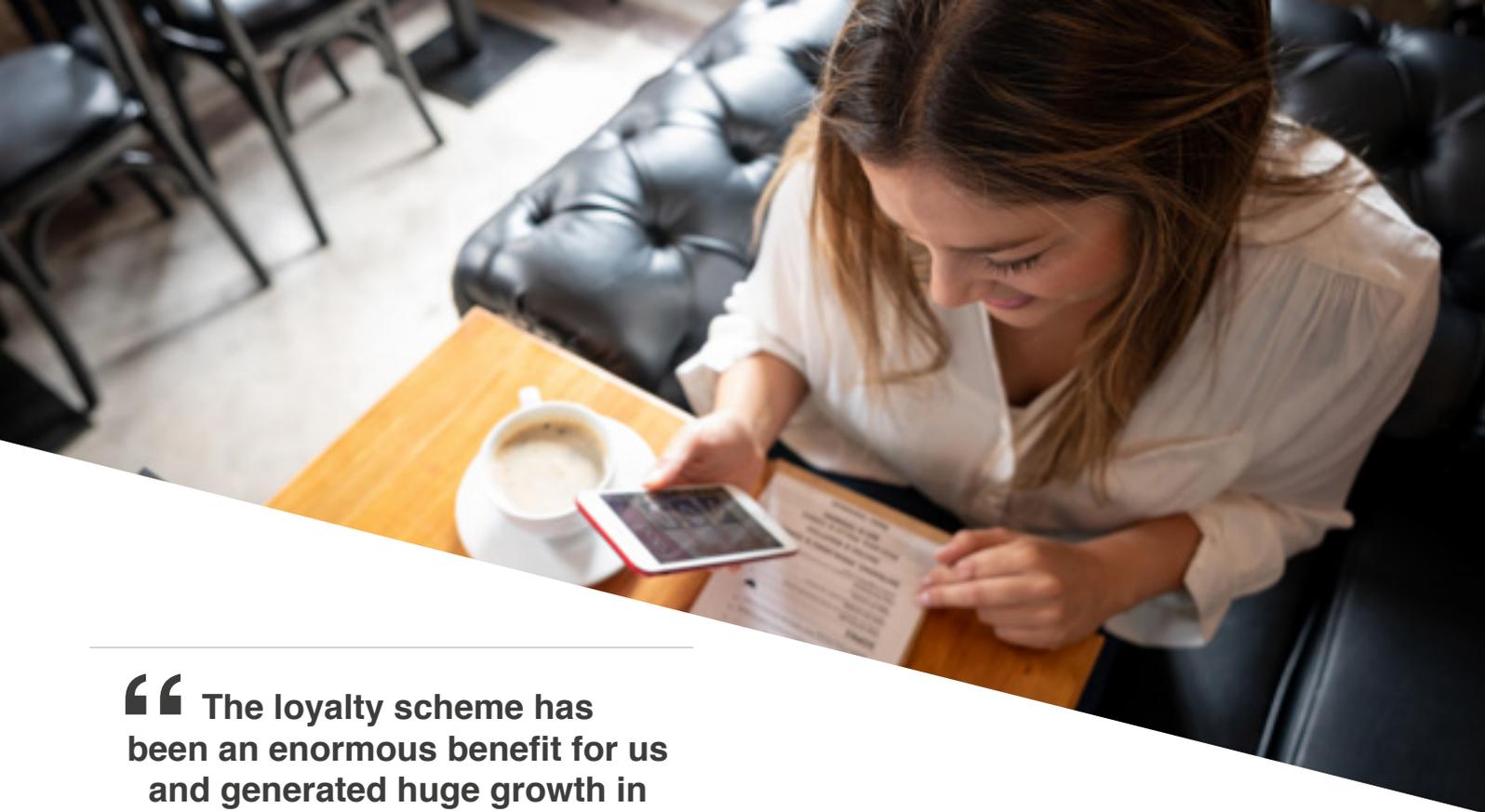
Using data in this way means any investment in marketing and promotions, be that time or money, reaps far more rewards. That's because your campaigns need no longer take a one-size-fits all or scattergun approach but can be targeted and personalised for each customer to maximize results.

So vegans will no longer get invites to cheese and wine tastings but they will receive information about your new jackfruit wrap. Most important of all, you have the information at your fingertips to help you avoid eating into your own sales by targeting customers with promotions for items or events that they would be buying anyway.



It takes **seven new customers** to **equal** the value of **one new customer**





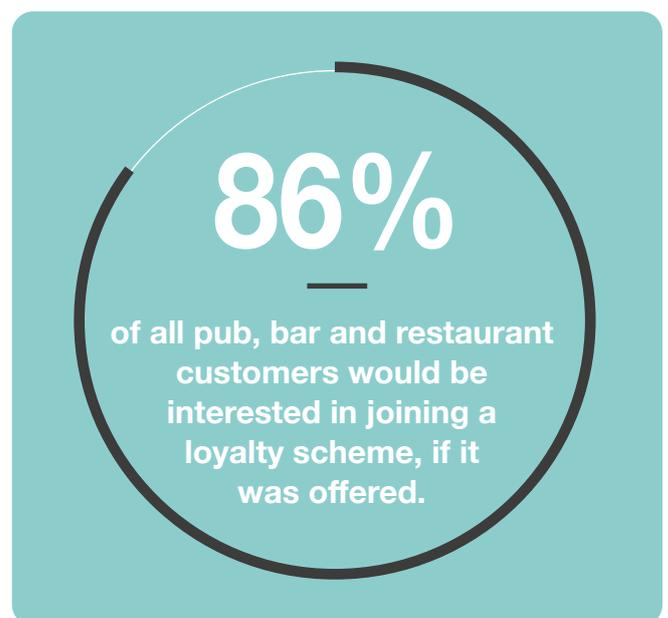
“ The loyalty scheme has been an enormous benefit for us and generated huge growth in customer numbers. In fact, more than half our trading business is now achieved through our loyalty scheme. ”

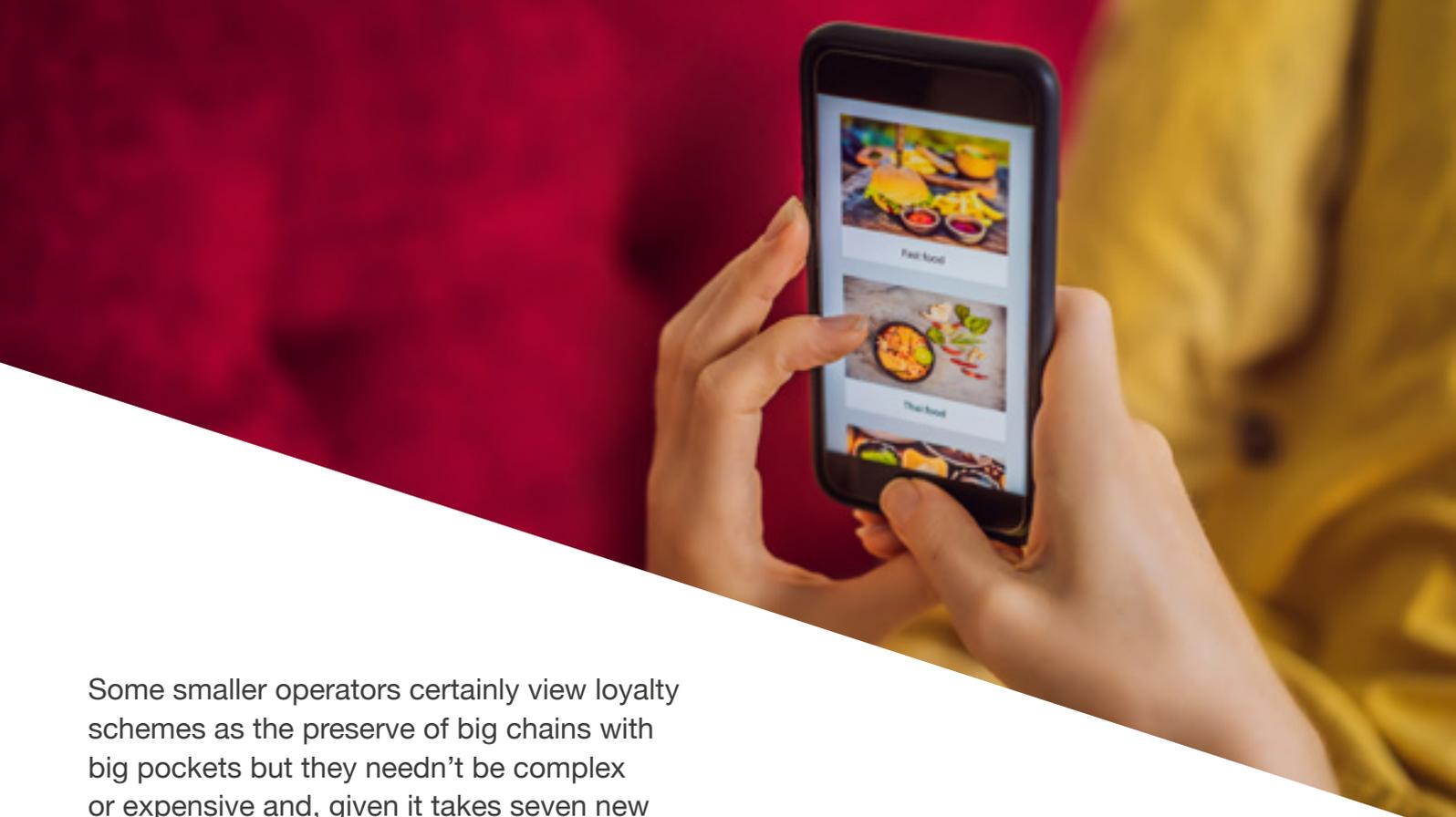
Francis Falvey, Business Support Manager, Liberation Group.

And of course, this marketing activity will produce its own data – which emails are opened, which promotions are the most popular, the average time taken to redeem and so on. This information can be fed back into your future activities, ensuring each campaign is more effective than the last, driving sales and growing your business.

Use data to remove any barriers, friction or pain points for customers too. If customers aren't moving to online booking, is it because there are too many steps in your booking process? One of the big bugbears for customers is waiting to pay the bill (check out our Plan to Plate research here), does your feedback data show this and if so, what technology will help fix the issue?

Any operator wanting to turbo charge this insight gained from data even more should look at a loyalty scheme. Such schemes are under utilised by the hospitality sector - 64% of venues do not operate a loyalty scheme despite 86% of customers stating they'd be interested in joining one and 71% stating that it has some degree of influence over where they choose to eat and drink.





Some smaller operators certainly view loyalty schemes as the preserve of big chains with big pockets but they needn't be complex or expensive and, given it takes seven new customers to equal the value of one loyal customer, it will be money well spent. Any loyalty scheme will also generate more data about your customers, building an even more detailed picture of their habits, likes and dislikes, helping to make smarter decisions and build solid foundations of future growth.

And this is just the start. Future developments such as personalised menus, notifications to smartphones when customers are close by, curated offers, driving new revenue streams, such as dine-at-home or click and collect (see box) are all within the grasp of operators big and small – but only if they realise the power of data within their business.

Data from your delivery channel orders, for example, can tell you which partner is your least profitable, giving you the option to prioritise others when the kitchen is busy or create promotions to run through channels when things are quiet. Customer orders will also generate yet more data to feed into your customer picture, of course.



“ From sales reports to stock taking we have built up a lot of data over the eight or nine years we have worked with Zonal. The historic data in the system gives us a great picture of where the business is now and really helps us shape the business moving forward. ”

Mat Prowse, Co-founder, Rockfish.

Zonal

Get in touch with Zonal today to discover how our connected technology solutions are helping hospitality businesses of all shapes and sizes to understand and enhance their customer journeys, make significant service improvements and exploit new revenue streams.

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