BIG DATA
WHAT IS IT?

GO
TECHNOLOGY
Insight by Zonal, Powered by CGA Peach

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We've all heard the phrase 'Big Data'; it's the buzz phrase of the moment. But what does it really mean? Maybe a better term would be 'Useable Data'.

The term Big Data has been in use since the 1990s, but the data explosion really took off and subsequently became the norm with the launch of the iPhone just a decade ago. This new technology has led to a data capture revolution, giving operators the opportunity to learn more than ever about their customer profiles and business operations.

But this 'Usable Data' is only beneficial if you use it. To tap into this powerful insight, you need to have joined up systems in place to create a 'Single Customer View', which can inform everything from your business strategy, to promotions and even your service offer.

A Single Customer View can tell you all you need to know about your customers, from when they go out, to what they buy and how they engage with your brand. In the right hands and used to its full potential, this detailed picture of your customers can be extremely impactful.

"big data"
noun

definition - extremely large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behaviour and interactions.
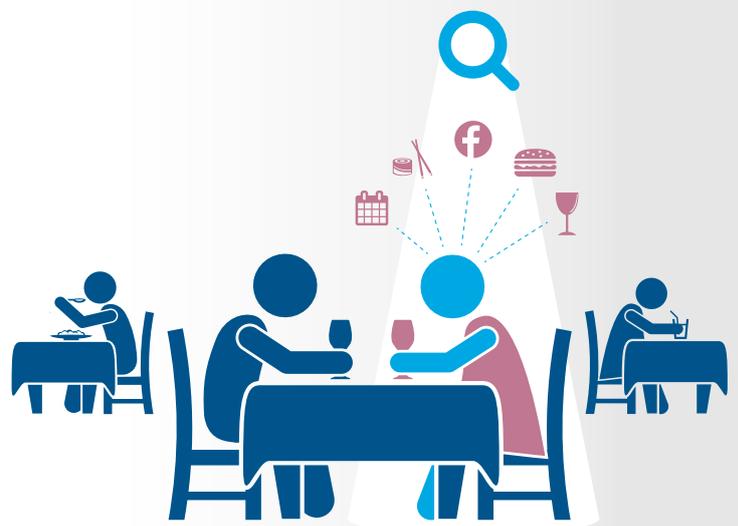
And, with the latest evidence from CGA suggesting that the eating and drinking out sector may be starting to show signs of reaching saturation point, with the number of food-led outlets having declined 0.4% in the last 12 months, and drink-led 2.1%, it's never been more important to understand your customers and create bespoke campaigns that will resonate with them.

In this report we speak to leading experts from the best technology solutions providers and adopters in the market to understand how, through an integrated approach, operators can access and optimise 'Usable Data'.

This will be supported by insight from our latest GO Technology research, in conjunction with CGA, which polled 5,000 consumers, looking at their behaviours and preferences when it comes to engaging with brands, loyalty campaigns and apps.

80%

80% of consumers who consider themselves to be loyal (emotional loyalty), also state that they are very or extremely likely to revisit (behavioural)

The challenge for operators is to make yourself standout, not just in your offer but also in the way you communicate and maximise the use of your data.

Using data you glean from the fantastic array of tools you have, front and back of house, is now a crucial task, and something that can give you the edge on understanding your customers and the opportunities that are out there. What makes this data even more powerful is to understand where else your customers go, and what drives them to visit - adding an additional layer of insight to highlight the threats and opportunities to your business.

ZONAL EXPERT VIEW

CGA | PEACH

Jamie Campbell
CGA's Retail Business Unit Director

"Loyalty is always a hot topic within the eating and drinking out market, but current market conditions and the fight for share of spend mean that it's more important than ever. What does loyalty actually mean though? From a consumer perspective it's often perceived as an emotional factor; people are loyal to places they have an attachment, like their football team, but the reality for operators is that we want them to keep coming back, which is something far more behaviourally driven.

The Single Customer View

Clive Consterdine
Zonal's Sales & Marketing Director

Zonal
Retail Data Systems

Having a single view of your customer means bringing together all the data that you have about them, such as demographics, booking history, basket data and purchasing preferences into one single record. This rich data enables you to pinpoint where they are in the customer journey, so you can target them more effectively with timely, relevant messages that add value.

Whether you are a multiple or single site operator, through integrated technology you can learn more about your customers, their behaviour and purchasing preferences than ever before.
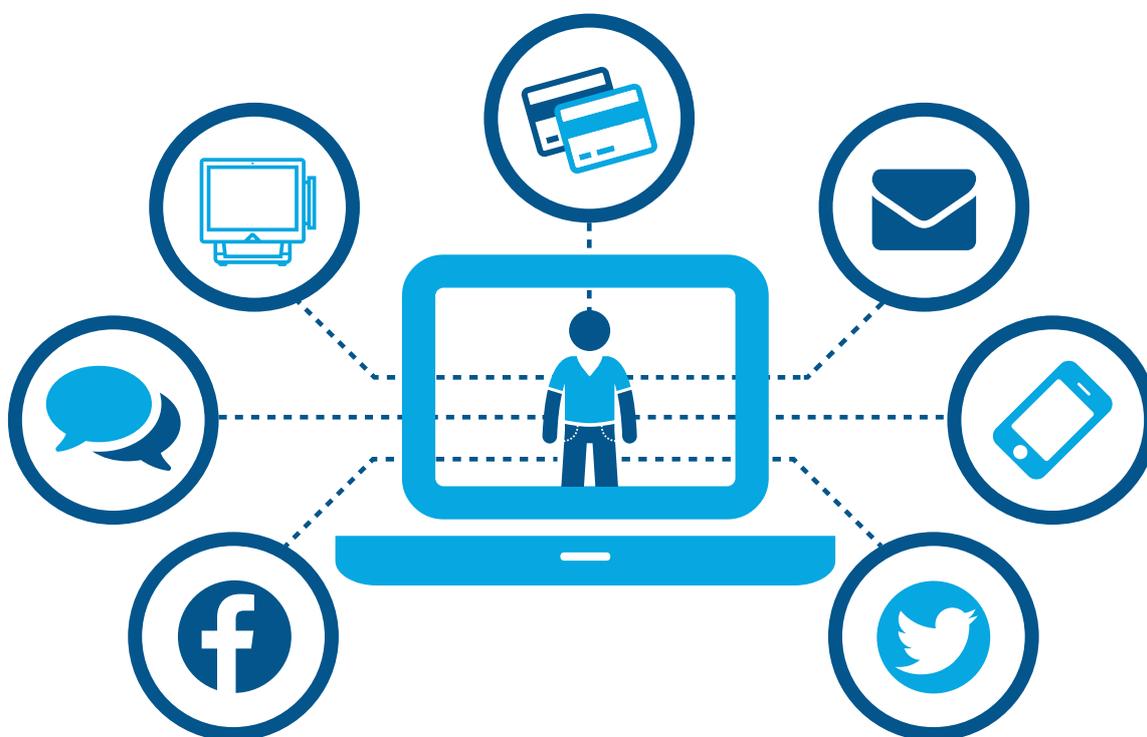
Power of Data

Knowledge is power, but only if you take the time to understand it and focus your campaigns accordingly.

Investing in technology such as EPoS is one thing, but understanding the power of the data and using it effectively to build your business is something that operators need to grapple with. Supermarkets have been doing this successfully for a number of years, but many pubs, bars and restaurants now have the ability to target their promotions around their customers' preferences, rather than run costly blanket offers.

For a loyalty scheme to appeal, it needs to provide instant rewards, offers and personal promotions

Covert Loyalty

Loyalty is not about discounting, but engaging with customers and rewarding them for their custom and understanding their needs. We are seeing much more interest in 'covert' loyalty schemes that surprise and delight the customer, rather than simply awarding points.

Ultimately, it's about knowing when and how often a customer visits and how much they spend, so you, the operator, can target your biggest spenders, or lapsed customers. CGA data shows that only 64% of consumers consider themselves to be loyal to at least one brand; if your customers feel valued then they are three times more likely to return time and again, which is better for the bottom line.

There is still a place for instant offers when signing up new loyalty club members, with 79% of those surveyed favouring this approach. But, thereafter, you need to court 'loyalty' and build a genuine relationship through personalised campaigns, with 40% of consumers citing this as key to driving loyalty.

79% of consumers will sign up to a loyalty programme with an instant offer

79%

YES!

40% of consumers cite personalised offers as key to driving ongoing loyalty

40%

If your customers feel valued then they are three times more likely to return time and again

Z Zonal
Retail Data Systems

THE SOLUTION: Zonal

To analyse customer basket data from every aspect of their journey – booking online to ordering, payment and feedback – technology integration is essential.

With ever-increasing volumes and sources of data, successful companies will be those that harness the data to provide their people with the insight they need to make better decisions and to enable them to act.

That's where EPoS integration comes into its own. Zonal's Aztec EPoS, for example, is so much more than a till, when used to its full potential. It is the central nervous system for various data capture applications, which would otherwise sit in silos, converting the information into one single view; providing operators with a huge amount of insight and solutions that can drive sales and enhance the customer experience.

Behavioural Insight
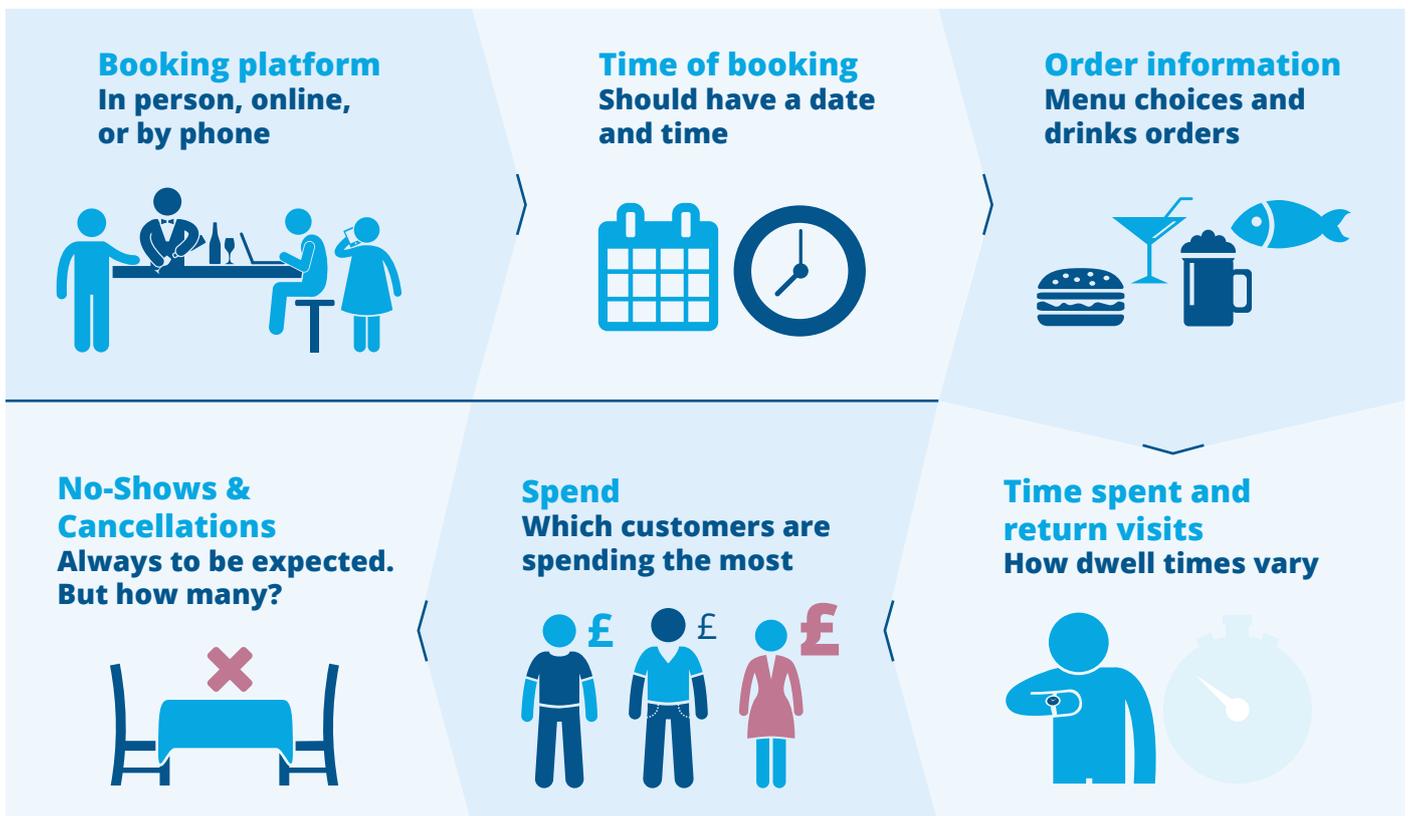
Olivia FitzGerald
Managing Director of liveRES

The world of customer data and insights is a fascinating place for marketers. With technology playing a central role in hospitality businesses, we are now able to collect more information than ever before.

For a venue using an integrated restaurant booking system connected to EPoS, every customer journey leaves a trail of valuable information, from the research and booking stage, right through to arrival, ordering, payment and beyond.

And we should use this information to our benefit. Data-driven marketing means pubs and restaurants can now analyse insights and shape their marketing strategy based on real intelligence about the customers.

The upshot of this is that marketing budgets are spent on initiatives that can deliver a proven ROI producing campaigns that generate a quantifiable impact.

Collecting data through the customer journey

Booking platform
In person, online, or by phone

Time of booking
Should have a date and time

Order information
Menu choices and drinks orders

No-Shows & Cancellations
Always to be expected. But how many?

Spend
Which customers are spending the most

Time spent and return visits
How dwell times vary

Booking platform

There are several ways a diner can book with you: in person, on the phone, through a third party booking provider or directly via your website.

How to use the data: Knowing how prospective customers find you and convert is very useful. If a large proportion of bookings come via third parties that charge commission per cover, you might want to refocus your efforts on directing bookings through your own website.

Time of booking

All bookings, whether made online or by telephone, should have a date and time against them so restaurants can review customer behaviour.

How to use the data: Over time, you will build a picture of how far in advance bookings are made, placing you in a better position to foresee busy and quiet periods. You can create time-specific promotions to stimulate demand and help schedule offers for calendar events.

Order information

Once guests are through the door, their menu choices and drinks orders are put through the EPoS system. When this is linked to a table booking system, the data can be saved and used for future contact.

How to use the data: By linking dishes and drinks to individual customer records, marketers can get a precise handle on their preferences. Marketing campaigns can be tailored accordingly, so they resonate with customers' tastes and habits.

Time spent and return visits

With a good restaurant booking system you can see how dwell times vary according to group size, time of day, and day of the week. You can also identify regulars, to those that visit occasionally, or who have stopped coming altogether.

How to use the data: One way would be to create a targeted promotion designed to encourage repeat business, using the database to identify and reach these customers directly.

Spend

A restaurant booking system, integrated with the EPoS system, enables recorded payment preferences to be mapped against different customer profiles. This makes it easy to identify which customers are spending the most with you and reward them accordingly.

How to use the data: Linking spend data to customer records allows you to segment your customer database and market to each group with a tailored offer.

No-Shows & Cancellations

A certain number of no-shows and cancellations are always to be expected. But how many? Analysing the data will reveal patterns and help predict what proportion to expect and ultimately reduce costs.

How to use the data: Marketing and operations can work together: the latter to calculate predicted drop-outs, the former to help publicise last-minute availability.

THE SOLUTION: liveRES

Built for mobile and touch screen technology, liveRES works for customers and staff on any device, anywhere. Offering 24/7 reservations and automated table management, liveRES enables you to focus on running your business.

With liveRES, you can also connect your loyalty platform, app and website, all of which are channelled into the central EPoS, so the system does all the hard work for you. For example, when connected to Zonal's Aztec EPoS, you get to build the clearest picture of individual and collective customer behaviour and preferences. That's great for marketing promotions activity and ideal for operational efficiency improvement.

Vitally, liveRES ensures the data captured during bookings remains the property of the operator. This differs from many online booking services which harvest diners' data as they process bookings from operators' websites. This valuable data is then targeted with competitor brands and offers, with the service provider charging a premium for the resulting bookings. Choosing a long-term partner like liveRES ensures your customer information is yours and yours alone.

CASE STUDY: PIZZA EXPRESS

With over 450 restaurants across the UK and Ireland, PizzaExpress is one of the most popular restaurant chains in the country.

Implementing a fully integrated online and telephone based table reservation system was a key driver for PizzaExpress, which understands the value of giving customers a seamless and simple booking experience.

So, PizzaExpress called on the expertise of liveRES and IOVOX, cloud based analytic experts, as they had the flexibility to create a fully connected reservation system.

Bookings can be made in any of the chain's restaurants 24 hours a day, either online or by telephone, so no customers are left high-and-dry and no business is lost.

Another key objective for PizzaExpress was to receive insights into customers' booking behaviours and needs, to help them further enhance the restaurant experience. The combined insights from liveRES and IOVOX has enabled PizzaExpress to become ever more agile in its bookings and marketing.

Siobhán Fagan, IT director of PizzaExpress said: *"Through these analytics, we can track the customer journey, measuring demand and booking trends such as group sizes and busy periods. This helps with forward planning, and to identify problem areas that require attention."*

Fagan is already using the data to introduce tailored promotions and early access to customer offers, as well as giving early visibility of menu changes.

The Social Opportunity

Julian Ross
Wireless Social Managing Director

wireless social

We are the mobile generation and wherever we go, so does a device. Subsequently, we expect to access free Wi-Fi wherever we frequent, whether that be a bar, restaurant or club. For operators, this should not be viewed as a cost but as an opportunity to gather useful and insightful data when integrated with your Single Customer View. Data accuracy is where the value add becomes tangible; utilising this asset creates service differentials that create better customer experiences and greater retention.

It is also where social Wi-Fi comes into its own, as customer data is automatically collected when they log on to a venue's Wi-Fi network via a social channel such as Facebook.

Not only is it simple for customers to log-in, venues benefit from detailed insight to each individual customer. Think about it; customers interact with their social accounts as part of their daily life. For this reason, contact details are accurate and the data obtained provides detailed insight to lifestyle and decision making criteria, which is gold-dust for operators.

A greater understanding of individual consumers enables targeted and relevant messaging. By utilising insight, venues can avoid 'catch all' messaging and data degradation by presenting the wrong offers to the wrong customers.

Think about the most powerful e:commerce store in the world, Amazon. The retailer has grown so rapidly by tailoring its marketing, based on a thorough understanding of its individual customers' buying habits.

Social Wi-Fi Statistics

RUNNING IN 73 COUNTRIES WORLDWIDE

18.7 MILLION USERS

160 MILLION SEAMLESS CONNECTIONS

347 MILLION DEVICES ANALYSED FOR BEHAVIOUR

28 MILLION MEANINGFUL MESSAGES

17.1 THOUSAND VENUES WITH AWESOME WI-FI

THE SOLUTION: Wireless Social

Adding value to data is at the heart of what Wireless Social delivers, the system provides a full reporting suite, with a complete breakdown of customer information and behaviours. One of the fundamental benefits of Wireless Social is that a customer only need log in to a network once. This applies at brand level and is not venue specific.

This provides on-going intelligence about customer behaviours such as frequency, dwell time and even movement within a venue, providing strong indicators of overall brand loyalty.

You can also define customer groups based on their likes, interests and favourite brands. Facebook data collected by Wireless Social, for example, includes hundreds of streams of data about each user that can be utilised to target and refine messaging.

The data can then be used within your customer CRM and feed into your Single Customer View.

Customer profiling opportunities are vast, the information collected provides a full demographic breakdown and insights about individual customer likes and interests.

wireless social

> " You can also define customer groups based on their likes, interests and favourite brands. "
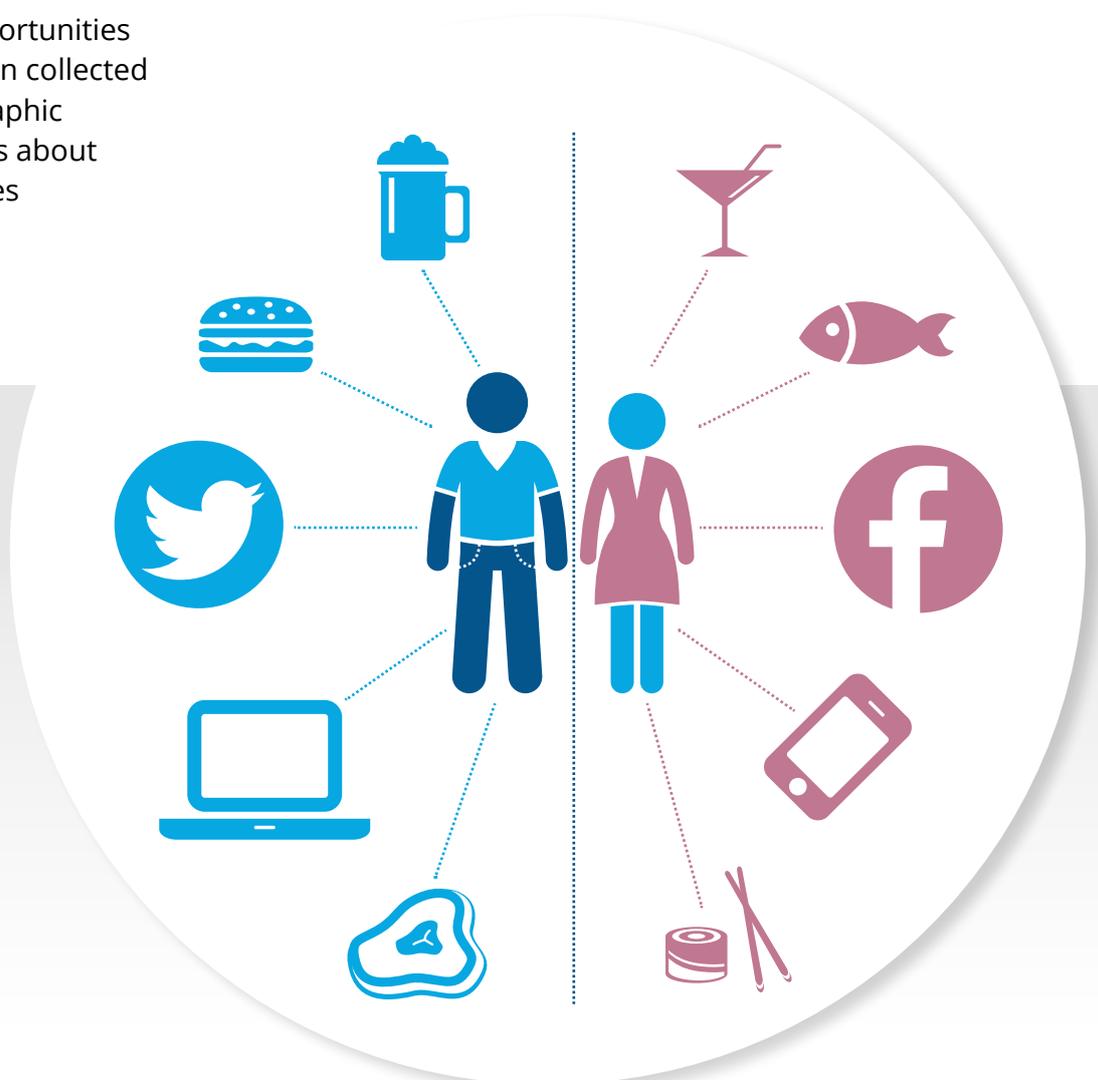
Big Data – What does it mean?

ZONAL EXPERT VIEW

Julia Platia
Head of Customer Services at Feed It Back

Feed it back

Let's take our customer, Emma, for example...

Booking information captured

Order recorded: Steak & red wine

Spend is recorded

£

Negative feedback received regarding steak

Flagged with restaurant

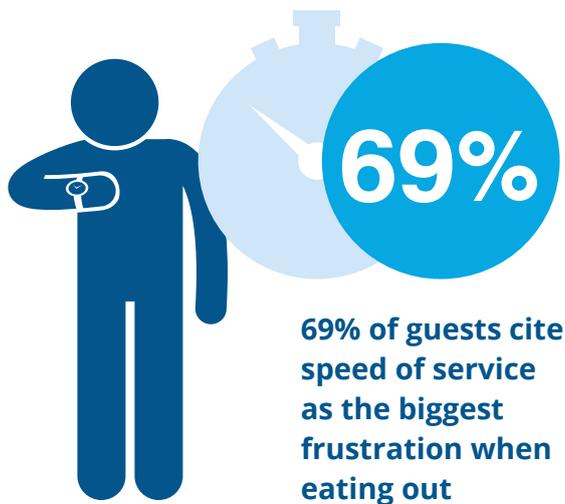GRATIS

Apology sent with complimentary wine

Emma's visit is noted in the Single Customer View

THE SOLUTION: EPoS Integrated Feedback, Feed it Back

The GO Technology research shows that 69% of guests cite speed of service as the biggest frustration when eating out. Your guest feedback programme should deliver these and other key factors through comments and feedback scores. At Feed It Back, we uniquely take transaction data from Zonal's Aztec EPoS in real-time to offer a personalised survey, asking questions specifically that relate to a visit and what a guest purchased.

But that's not all, our real-time integration with transaction data means the feedback data is more usable and actionable than ever. For example, an operator can overlay poor speed of service feedback with day of the week or day part to precisely see where and when the problem occurs.

69%

69% of guests cite speed of service as the biggest frustration when eating out

Delving deeper into the data, one can correlate average spend per head alongside poor speed of service to identify the impact on sales and build a business case for investment in training.

This real-time integration with a variety of data sources is key for making good decisions for your business, each venue and each guest.

Who Owns Your Usable Data?

Having the tools to collate so much insight into a customer's profile is a privilege for operators and should not be considered a right. If you don't value the currency of that data, then customers could very quickly turn their backs on your business.

So, you need to be confident when investing in an online booking service, loyalty programme, Wi-Fi access, mobile payment, pre-order, feedback or food delivery service, that you know who owns the customer data, how it is being used and what happens to that data if you terminate the agreement.

Choosing the wrong solution can have expensive consequences. For example, many online booking and food delivery platforms charge per-cover and this may not be the right way to go if your booking or order volumes increase considerably. Similarly, there can be considerable direct costs and indirect costs, in terms of data rights, if the business wants to move away from that platform.

!@#&*
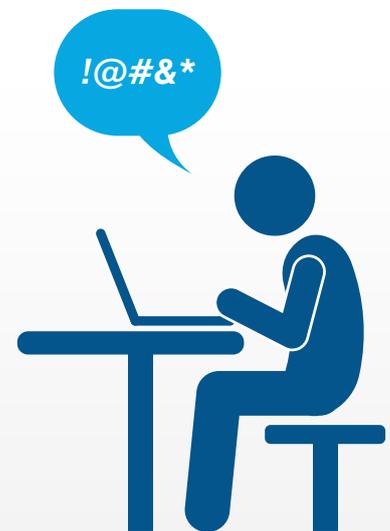
**Feedback data is more usable and actionable than ever before.**

Data Responsibility

Kelly Young
Qualified solicitor, General Counsel and
Company Secretary at The Deltic Group

According to Zonal's GO Technology research with CGA, 24% of 18-34 year olds cite 'lack of trust' as the biggest barrier to engaging with a brand. And with millennials being the most influential audience when it comes to dining out and spending cash, it is vital these customers of today and tomorrow fully trust your business and how you use their personal data.
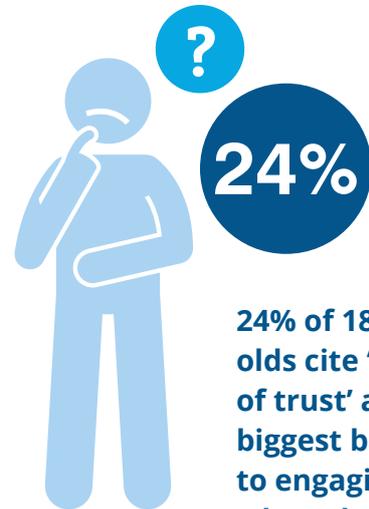
This is hugely important to the UK's largest bar and club operator, The Deltic Group, whose core customers are aged 18 to 25. This age group is digital savvy and 72% are ready to engage with and share their data in return for instant offers, but trust is vital.

24%

24% of 18-34 year olds cite 'lack of trust' as the biggest barrier to engaging with a brand

72%

72% are ready to engage with and share their data in return for instant offers

Kelly says: "Big Data is hugely important to us as it gives us insight into our customers. However, compliance with Data Protection is key and operators need to be mindful of the legal rules surrounding data ownership.

"For example, our customers visit our bars and clubs for a great night out, they don't necessarily understand that when they reserve a booth online, show their ID on entry, or use our pre-order app that we are gathering valuable data we intend to use for future marketing. So, trust is key and consent is a major part of that. We pin notices throughout our venues, clearly communicating our data policy. And we never sell their personal data to third parties, so our clubbers won't suddenly be bombarded with junk mail.

"Ultimately, the personal data we hold as a business must be adequate and relevant but not excessive, nor kept for longer than necessary."

Kelly also warns operators that the ICO and Data Protection Authorities are addressing big data by further developing existing tools such as consent, notices, anonymisation and privacy impact assessments.

We never sell customer data to third parties.

"The big question we all face is how do we manage the massive increase in personal data that big data will produce over time and what will the regulatory fallout be? For example, live streaming is not only a great opportunity, but the implications for privacy is a conundrum for business and one we all need to consider."

DATA DO's & DON'TS

1 Be transparent – people must understand how you intend to use their data

2 Be compliant – keep abreast of regulatory updates

3 Clean your data regularly

4 Maintain ownership of your data

5 Be responsible - consider who will see your communication? E.g. don't send details of a drink promotion to an under 18

Summary

Stuart McLean
Zonal's Chief Executive

We hope this report has answered the question Big Data – what is it? As a technology innovator and supplier to the hospitality sector, we appreciate how complex this subject matter can appear to be. Technology is constantly evolving, which in turn drives consumer expectations and demands creating challenges for the industry.

But investing in technology in isolation is not a good thing and it's those operators who have a clear strategy in place that will reap the benefits. Taking an integrated approach is key to success and that is something that we understand at Zonal. All our applications are designed with operators and consumers in mind, so they add real benefit in terms of running a business, to creating a seamless customer experience and encouraging repeat visits and spend.

What sits behind this is data. The power of that data is down to how you use it and then act upon it. At Zonal we are here to help you navigate what can feel like a minefield and make sure you invest in the right technology to meet your business needs for today, tomorrow and beyond.

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GO Technology by CGA and Zonal, tracks consumer attitudes and experiences with technology when eating and drinking out. The research of 5,000 UK adults is conducted quarterly to gain an insight over a period of time to measure consumer behaviour and trends, helping operators to keep one step ahead.

If you are interested in discovering what technology solutions you should be adopting in order to harness your business and customer data and make it work for you, then speak to a Zonal expert who can help discuss tailored solutions to suit your business, now and into the future.

Give Zonal a call today to talk about your business of tomorrow.

Zonal
Retail Data Systems