Episode 6:

Data and customer analysis

[00:00:00] **Voiceover:** You're listening to the Fáilte Ireland Inside Tourism Business podcast, the definitive podcast for tourism operators, bringing you expert advice, insights and practical tools to help you navigate the challenges your business is facing.

[00:00:19] **Ruth Hegarty:** My name is Ruth Hegarty and I'm your host for the first series of Fáilte Ireland's new podcast, where we delve Inside Food examining trends, innovations and tackling costs to help you run a leaner more successful food operation.

[00:00:38] Welcome back to Fáilte Ireland's Inside Tourism Business podcast. This is episode six of our Inside Food series. In today's episode, we're focusing on data analysis and joining me to discuss this are two very successful hospitality industry entrepreneurs who are very familiar with the importance of crunching the numbers.

[00:00:55] Karl Purdy, Managing Director of Coffeeangel in Dublin and Louise Palmer-Masterton, Founder of Stem & Glory, a vegan restaurant chain in Cambridge and London in the UK. You're both very welcome, thanks so much for joining us.

[00:01:07] **Louise Palmer-Masterton:** Thank you, hello.

[00:01:08] **Karl Purdy:** Thanks Ruth, delighted to be involved.

[00:01:10] **Ruth Hegarty:** So, to kind of jump right into that Karl, if it's not too obvious a question, what do we mean by data? What kind of data are we talking about here?

[00:01:18] **Karl Purdy:** Well, I think data in itself, you know, it's always been a part of hospitality, I mean 30 years ago when I was getting started, I realised very early on that it was important to remember people's names. So, you know I had a little cheat sheet kind of stuck on the top of the cash drawer and I'd write people's names down and maybe, you know pink hair or a certain character trait that I could remember the next time.

[00:01:42] So data has always been a part of the business and I think today, we obviously have a lot more information coming at us from all angles. So, I think data to me is information that you can use to make a tangible benefit either to your business or to the customer experience or you know, how easy it is for your staff to do their job.

[00:02:00] So, it's a number of things, not just people's names, but sales information, labour costs, all those other things that make businesses tick.

[00:02:08] **Ruth Hegarty:** Okay so it's a broad range, really, we're talking about not just that hard business data, but also that kind of getting to know your customer type of information as well.

[00:02:16] **Karl Purdy:** Oh absolutely.

[00:02:17] **Ruth Hegarty:** And so, Louise, what would be the really key data that you think every business should be collecting?

[00:02:23] **Louise Palmer-Masterton:** Well, I think that we're living in a time of data overload, so it can be a bit overwhelming to know where to start, I think. So, sort of simplistically, I think data falls into one of two sorts of camps really.

[00:02:34] And the first is to do with data that informs your sales and marketing. And the second is the data, the crucial data, which will assist you in assessing the performance of your business. So, for example, in terms of sales and marketing, key and absolutely crucial bit of data for us and it's still absolutely drives our business, is a database.

[00:02:55] In other words an email database of all your customers and subscribers, which you can then quite simply use for driving, literally e-blasts and emails, but you can also use this data in conjunction with your Facebook page to drive advertising towards your targeted audience. And also, from your audience on Facebook, you can create something which is called a lookalike audience, which means you're really targeting your adverts at people who have similar likes and preferences to your people who actually come through the door of your restaurant.

[00:03:24] So this is absolutely invaluable, but it starts with collecting those email addresses, so strategies to do that are very, very important in our business and always have been. But in terms of the data that helps you assist the performance of your business, I think really simply knowing your best sellers, critically important.

[00:03:42] Never ask your chefs, by the way, what are your best sellers? This is the thing with data, you know, you have your gut feeling and your instinct and as do your chefs and everybody else who works in your business, but it's really good to be able to back that up with data. And often what our chefs have told us our best sellers are actually not our best sellers.

[00:03:59] Knowing your gross profit is very, very important and quite simply that means just knowing how much the dishes cost that you've got on your menu and then the labour cost is very important thing to track as well. And both those last two, you want to create some meaningful targets with those and kind of edge yourself ever towards those and constantly trying to improve.

[00:04:18] **Ruth Hegarty:** Can you talk to us a little bit about some of the ways that you gather those essential pieces of data.

[00:04:23] **Louise Palmer-Masterton:** Yeah, so, I mean quite simply in terms of sales and marketing a capture form on your website for example, but you know a lot of people fall short. Putting a capture form on your website, will catch a number of people, but it won't catch nearly as many people as if you target it specifically. For example, we've got one on our website running at the moment, which is enter your details to win free pizza you know pizza's always a winner. And that is much more effective than just having, enter your email address to get all the news.

[00:04:50] So it's about thinking of creative ways of creating that data and then putting it to good use and always take advantage of the opportunities to collect data and other things I would always say, don't ever give up. You know whenever we go out and about, we're always using the same kind of initiatives. For example, win a free this or free that and in this exchange, I like to think of sales and marketing intrinsically linked, and you have two opportunities with a sale.

[00:05:14] (1) is you're going to make a direct sale, (2) is you're going to get someone's email address so you can make a sale later. It's about kind of creating all of your marketing materials towards getting one of those two things really.

[00:05:27] Karl, maybe you've got something more to say about the collecting of the data from a more business perspective.

[00:05:32] **Karl Purdy:** Well, I think, the kind of the old methods that we might've used in terms of, just taking the people who maybe purchased something from our website, or we would have had a free Wi-Fi system in our shops and people's email addresses would have been captured there.

[00:05:46] GDPR a couple of years ago kind of made us have to rethink and reassess how we gather data and, obviously people's data is much more valuable to them. So, you know we kind of take a softy, softly approach in that regard just to make people feel safe that, that we're not misusing or selling, their data, something that we would never do.

[00:06:07] But you know I think you do need to provide a little bit of assurance to people. So yeah, I mean, we would capture data very similar to yourself Louise, in terms of on our website, competitions are great. But we would also ensure that, if we are using someone's email that it's followed up with an email confirming that we can use it.

[00:06:25] So they're opting into the communication piece at the same time we have sort of a nuclear button, you know in our backend where, if someone does want their data deleted, that we can just push that, and it's pretty much wiped away from our system.

[00:06:39] So, I think it's just to be aware of, I suppose GDPR the rules that go around it, but also how people feel about being communicated to, and everyone's market and customer base may be slightly different. The younger generation may be more comfortable with it the older generation, maybe not. But I think that's probably up to individual businesses to kind of figure out and assess for themselves.

[00:07:02] **Ruth Hegarty:** Karl then coming to, you know as Louise mentioned, you've got your kind of sales and marketing data and then you've got your hard business performance data. So, I suppose what kind of systems would you have in place to gather that information and importantly, to analyse it?

[00:07:16] **Karl Purdy:** Well, I think it's important to recognise that, if anyone is using kind of the modern point of sale systems or purchasing an inventory system is that you can almost be buried in data, between PDFs and CSV files and Excel spreadsheets. So, I think it's important to first figure out your priorities much like Louise alluded to at the start. The key drivers of your business the things that you want to tackle.

[00:07:40] So obviously for us, it's about the sales data and most modern point of sales systems do have quite good reporting.

[00:07:48] I should mention though, that you know with any of these systems, the data you get out is kind of only as good as the data that you put in. So, there is a little bit of heavy lifting at the start with all of these. If you're going to try tracking the gross profit you need to make sure that you have those costs input you know, making sure that your tax rates are right.

[00:08:05] And you know, the point-of-sale system is invaluable for telling you how much of something you sold, maybe the gross profit on it. Footfall, you know they sometimes provide hourly graphs that tell you when your busiest and when you're quiet, you know, maybe that's a time to focus on.

[00:08:19] So for us, we have three pillars in our business that we kind of focus on, obviously the sales information, labour costs which play a huge role in hospitality and then kind of our purchasing in inventory and that kind of tells us our gross profits on an ongoing basis. So, we try to distil it down to those three and keep it as simple as we can, when necessary.

[00:08:39] **Ruth Hegarty:** Yeah, absolutely and Louise do you find that as well that sometimes businesses can be gathering huge amounts of data, but they're really just drowning in all of that information and not putting it into use?

[00:08:49] **Louise Palmer-Masterton:** Yeah definitely, I mean it's a bit overwhelming especially if you're relatively new to this, because you hear all this stuff about what you should be doing.

[00:08:56] And I mean there's a big difference between EPOS systems, by the way that some are quite simple and straightforward, they all have, kind of basic functionality, but some of these are huge. When we first started, we got approached by a lot of these really big companies and it's, you almost need a full-time person just to manage the machine in those cases.

[00:09:13] So I think that you know the longer you stay in the business the better you get at it and the more you understand it, but don't try to understand it all when you first start out because you don't really need to, and you don't need this real high level of sophistication. I mean, the key things are understanding your cost base your sales and your labour costs.

[00:09:33] There are quite straightforward ways to do that without disappearing down the rabbit hole of EPOS systems, of which there are so many now. Yeah, just pick one stick with it and, and see how it goes would be my advice.

[00:09:46] **Ruth Hegarty:** So not necessarily complicated high-tech solutions for everyone, it's really the right solution and the right fit for your business.

[00:09:52] **Louise Palmer-Masterton:** Yeah, I mean, you know everything like Karl said, it's like garbage in garbage out isn't it? It is about how you use the system, but maybe don't try to be so ambitious. We have a very good recipe manager system now, which is outside of our EPOS system. It does give us the data we could put into the EPOS if we wanted to, but we kind of use it in different ways and a recipe management and resource is extremely valuable.

[00:10:14] There are a number of those on the market and again, you know there is a bit of heavy lifting at the beginning, and you need to expect that. But one thing we've done in our business now is that nothing hits the menu until it's been through this process and we use a multiplier now across all our dishes.

[00:10:29] So it's literally a case of that's the cost and that's how much we charge for it on our menu, and we don't waiver from that. And that's been incredibly useful for us because, you know there's all this talk about price points and that there was a heavy thing in discounting, which I really hope doesn't come back on the other side of when we are opening again.

[00:10:46] So I think knowing how much your dish costs, using your multiplier and then charging accordingly is really important for the bottom line of your business and if that's what you need to charge, then that's what you should charge.

[00:10:57] **Ruth Hegarty:** Yeah absolutely, I mean, if you don't get those basics right nothing else really is going to work, no amount of gathering data, I suppose is going to going to help.

[00:11:05] **Louise Palmer-Masterton:** No exactly, I mean, if you get the data and it tells you this, but you do something different and then that's been a useless exercise, isn't it?

[00:11:11] **Ruth Hegarty:** Well exactly and I suppose the next thing that I wanted to ask you is around then taking that data and using it to inform your strategy. I mean Karl what are the, key ways to respond to the data?

[00:11:24] **Karl Purdy:** Well, I think it's important to acknowledge that, you know I kind of referenced 30 years ago and how much things have changed in that time and I think, one of the huge benefits of data today is almost it's immediacy.

[00:11:36] You know long gone are the days where you would kind of get to your month end and then you'd wait another two or three weeks for your accountant or financial controller to tell you how your business was doing. I think you know; I don't know anyone in hospitality today who can afford to wait that long to kind of figure out how they're performing.

[00:11:51] So, I think as owners there's a lot more control and a lot more insight that you can actually glean , from your systems from the data that you're getting, where you can be agile, nimble, you can respond to the things that maybe aren't working almost immediately and likewise, you can put greater energy and emphasis on the things that are, you know that are actually succeeding for you.

[00:12:13] Again, you can get lost in a lot of it, but you do need to respond to it if you see it. If sales are tumbling, you need to start asking questions why and how do I fix that? I think today data allows us to be nimble, agile, responsive and don't leave it six weeks or eight weeks to fix a problem.

[00:12:32] **Ruth Hegarty:** And Karl in your experience does analysing the data and the numbers always kind of tell you what you need to know?

[00:12:38] Well I think, if you distil it down, which I tend to try to simplify things you know I think if sales are good, it generally tells you that your customers are happy, and you should try to keep pushing in that direction.

[00:12:49] If say, you know if the figures are bad, you know that there's something wrong and you need to figure out what that is. There's things we can't control in our industry, you can't control the weather or a pandemic or anything else, whether it's strikes.

[00:13:02] So, for me I tend to look at the numbers as pragmatically as I can. I talked about immediacy at the same time, you know you do need to invest in certain things, take a chance and make sure you give things a chance to improve or at least give it a time to bed in win or lose.

[00:13:20] But yeah, I mean I think the numbers, they are a very good guide to how you're doing, but don't ever underestimate, talking to customers that doesn't go away just because you have lots of data to see how they're feeling. As distant as we are now, hospitality is best as a face-to-face business.

[00:13:37] Hmm okay that's really interesting in terms of the industry as a whole and kind of industry standards around kind of targets and benchmarks, are there particular things that people should be looking for in their data and benchmarking themselves against in terms of industry standards?

[00:13:53] **Louise Palmer-Masterton:** Yeah I mean of course there is the absolute isn't there with the industry standards, you know you should have your GP margin should be 70% or above your labour costs should be 30% or less, then your rent should be less than 9%, rent rates and overheads as the 9% and I don't think anyone really in their right mind is going to tinker too far from that, because this is kind of it's a standard within the industry.

[00:14:17] But you know, there's always trade-offs going to be within that it's not a hard and fast rule. Like for example, we're a fairly high, slightly higher labour costs kind of business by the nature of the food that we prep and other businesses won't have so much on prep, but maybe their cost of ingredients might be slightly higher.

[00:14:32] So I think you've got to create a meaningful interpretation of that for your specific business. And then I think, you know you have to have an understanding of how a hospitality business runs. For example, yes labour costs, you would ideally want under 30%, but when you first open your doors as a new establishment and I'm speaking here from experience, if you are so focused on having a 30% labour cost, you're likely to come unstuck because if you're a new business in a new location and you're opening for the first time, you want to staff up, it's the most important thing, you know that your guests have a pleasant experience.

[00:15:08] So if you are too strict with your labour costs at that point when you haven't got a settled stream of customers, then you do run the risk of giving your customers a less attentive experience, which will have an impact on your business. So, you definitely need to staff up and in order to do that you need to kind of let go of your 30% expectation for a while.

[00:15:29] Maybe you need to kind of have your labour cost 30% kicking in at a certain point and you want to monitor that and move towards it. But definitely you need to be a bit more flexible in the beginning and of course that does mean, that you need to put that into your cashflow when you first open.

[00:15:43] **Ruth Hegarty:** Yeah, Karl you mentioned as well about allowing time to kind of bed things in and give a chance to see if things are working so is that your experience as well?

[00:15:52] **Karl Purdy:** Yeah, I think so I mean you know I think it's important to acknowledge that, the business that I'm in is very different to, a Michelin Star restaurant or a vegan restaurant.

[00:16:01] Our spend per head is significantly less than, you know, a two-star restaurant. So, our costings will be slightly different. I think giving things time, Louise is right, the customer experience that's almost

everything in terms of success, the better you can make that the better chance you stand of repeat business of word of mouth all those really good feel-good factors that help build your business up.

[00:16:24] So knee jerk reactions are probably not very helpful whenever you're just getting started. Paying attention to what's working is probably more important in those early days. Making sure that the customer experience is good that you might see the same face coming back again or hearing that someone recommended, you know, then that the customer came into you.

[00:16:46] So I mean things like that are really important, but I tend to monitor the numbers daily and make the bigger decisions quarterly based on trends. But I mean if something isn't working, you can see that it's just tanking I would make a change pretty quickly, but you do need to give the bigger kind of conceptual items more time to bed in.

[00:17:04] **Ruth Hegarty:** Great, we'll be right back to our discussion with Karl and Louise after a short pause to hear about Fáilte Ireland supports.

[00:17:13] **Voiceover:** Fáilte Ireland's new Breakfast Toolkit contains expert advice and practical tools that are applicable to all areas of food and service.

[00:17:21] You can find the Breakfast Toolkit and more helpful supports and guidance on the operational performance section under Strategic F&B Operations on our COVID-19 Business Support Hub at failteireland.ie.

[00:17:33] **Ruth Hegarty:** Great so we were speaking a bit there about targets around labour costs, GPs and so on and there are calculators for all of those in the Breakfast Innovation Toolkit that's been created by Fáilte Ireland and that's on the COVID 19 Business Supports Hub on Fáilteireland.ie.

[00:17:49] So I suppose coming back to the kind of customer insights side of things and your sales and marketing data. Louise I might come to you first on this, just in terms of the kind of customer insights you can gather and what insights the data can provide. Can you talk a little bit more on that and how you use those then?

[00:18:07] **Louise Palmer-Masterton:** Yeah, I mean, in terms of like, I guess different from the hard data that you gather and what we've just been discussing or margins and cost control etc.

[00:18:17] So, I mean, again there's an awful lot of data you can collect here, so kind of pick some that's meaningful to you and then put that to good use. Again, don't try and do it all. I mean some things, for example customer insights and things I like looking at, so we have two sites for example, one is in London and one in Cambridge and there's really quite a big difference between how the customers behave in our two restaurants, in terms of how much they spend.

[00:18:42] Dwell time is another thing which is important and actually in terms of data that's actually quite a significant thing we didn't mention yet is what's called table turn time. So, table turn I mean, in the ideal scenario in a restaurant, you're constantly turning your tables.

[00:18:55] Customers come in, they eat the meal, they finish the meal and off they go, you seat the table again, and so it goes on and increasing table turn, sorry decreasing table turn time, so you can get more people, more throughput is an important thing as well. However again if you get too hung up on that, that

can become like a rod on your back because our London dwell time, for example, is closer to 90 minutes and you can extract this data from your EPOS systems, but our Cambridge is closer to 60 minutes.

[00:19:23] Which would make you sort of instinctively think we needed to get the customers in London moving faster, but our London customers spend more per head, so allowing more table time there doesn't actually affect our bottom line. So, you don't want to be hurrying people out at our London site because there's a very good chance they're going to continue spending money.

[00:19:43] But you know, key thing there obviously is to make your staff aware of this. So, they're not allowing people to dwell at the table for very long periods just by providing internet service, but there's an exchange and a communication going on between your customers and your staff. So, understanding customer demographic is spoken about an awful lot, but it's kind of like the Holy Grail and how does it actually work in real time?

[00:20:04] So, understanding the customer demographic you can collect the information, but here's a very simple example of that. We did some customer profiling and discovered that the majority of our customers define as flexitarian rather than vegan and we did a sample amongst our customer base that's how we managed that, we asked the question.

[00:20:22] And so if we know that the majority of our customers define as flexitarian, we would be well-advised to target our messaging towards flexitarians rather than vegans, which might seem a little bit counter-intuitive obviously, because we're a vegan restaurant, but I think that's a key and important significance in terms of understanding your demographic, and then how do you actually put it into practice.

[00:20:43] **Ruth Hegarty:** Yeah absolutely, has the data that you gathered around your customers helped you to pivot and reach your customers and keep your kind of brand identity?

[00:20:53] **Karl Purdy:** Without a doubt and I mean some of it, has happened purely by accident, you know as an example, when we first had to close down online was a very small part of our monthly business, less than 2%.

[00:21:04] So almost immediately, it was our only revenue stream, much like many others. So, we started sending coffees out, the online business was kind of kick-started purely by social media. It was a tweet I put out having sat at home for one day and I kind of looked around and for someone who's used to being in the office at half past six and checking out the shops as they're getting ready to open sitting at home is a very uncomfortable experience for me.

[00:21:32] So, I put a tweet out just saying, if anybody needs coffee tomorrow, I'll drive it to your house as in, you know, beans or ground or whatever. I went to bed and I woke up to 200 orders the following morning and spent the next three or four days driving around Dublin delivering coffee to people who would have ordinarily been coming in and out of our shops.

[00:21:51] So that kind of kick-started our online business but what then transpired was I started watching the orders coming in and every order that came in I, you know I wanted to personally thank the customer for their support. So, I would hand write a little note making sure that I got their names spelled right.

[00:22:07] And you know if they had a fada in their name I put the fada there just, you know paying attention to the small things, adding a little bit of humanity to the online experience and I send it out and, you know it was warmly received. people commented how nice it was to get a message on social media.

[00:22:21] But then maybe a couple of weeks later, I'd recognise a name, you know I'd say, "oh there's Ruth, Ruth has ordered again, I wonder if that's the Ruth that ordered two weeks ago?" and then I'd kind of go when I cross check my payments, the emails and I'd say, "Oh, you know Ruth had ordered two weeks ago.

[00:22:35] I better write her another note", but I made sure that I would write her a different note so acknowledging that she had been with us before and I appreciate the ongoing support or however I phrased it and that little bit of data became like a touchstone, kind of a centre piece of our online business was acknowledging, that kind of that human connection, that repeat business.

[00:22:57] And I suppose it's kind of taking a lot of what makes, kind of bricks and mortar face-to-face hospitality. So wonderful is that human connection and I think, just being able to look at that little piece of data in terms of have they ordered before allowed us to personalise the online experience and it's kind of, continued to build and we got smarter at it, we got faster at it and I think it was something that was absolutely invaluable to us actually making it through the last year. It was just that little piece of humanity and connection that we can make with people.

[00:23:29] **Ruth Hegarty:** Yeah, that's really interesting, 'cause I mean, suppose we are all about hospitality and we want to keep that human connection, but it's interesting to see how you can kind of use hard data and soft data as well I suppose to support that.

[00:23:42] Louise in terms of the customer information that you've been gathering and like, I suppose a lot of businesses maybe have almost felt like they were starting over again when COVID hit.

[00:23:52] Like Karl going out you know, delivering the coffee himself. But the information that they may have gathered about their customers and the leads, as you said the contacts, they had gathered meant that they weren't starting all over again, that they had customers there that they could reach out to. Like did you find that you were able to go out and almost talk to your customers and find out what to do next?

[00:24:13] **Louise Palmer-Masterton:** Yeah, no definitely, you know it's been an interesting experience the last year on many, many different levels and it's actually quite good to hear some positive stories coming out of it as well.

[00:24:23] I mean one of the first things that we did is we got in touch with our, we have quite a large database anyway, but we got in touch with them, and we created a focus group and so we got willing subscribers who were willing to then answer a number of questions in more detail from us about, well basically what to do next.

[00:24:41] And a lot of the things we were asking them about was to do with what we have now launched in our online store, which is basically ready meals, kind of vegan goods, we've just launched vegan pizza actually as well. So, the questions were things like, you know what would they order, listing different ideas and different options and things that they might order.

[00:24:57] And it gave us a very, very strong case for what we have eventually launched, which was basically chilled, ready meals and the kind of "restaurant in the home" experience but having that backed up and it

was quite convincingly backed up. For example, we also asked them about frozen ready meals and that was very, very small compared to the chilled ready meals, which is what we send out.

[00:25:17] And having that was invaluable and obviously having that database, is the platform then to launch the online store both in terms of direct mail letting them know that we're open. And then in terms of also using our database without going into too much detail, but you can use your data to create an audience on Facebook, which you can then serve ads on Facebook and Instagram.

[00:25:38] And with your, I think I mentioned this already, but anyway you can create your lookalike audience and then of course using that to drive new customers, because obviously we've got our existing customers, but this will then bring new customers to the online store and then of course the whole thing is a great synergy in the end, once we open again, because then hopefully we've got new people, new subscribers to our online store that we can then encourage to come to our restaurants as well.

[00:25:59] So yeah, it's been a huge learning and quite positive experience really and yeah absolutely 100% driven by the data and the information gathered.

[00:26:10] **Ruth Hegarty:** So, I suppose you both mentioned a couple of different kind of platforms and tools, Karl you mentioned, putting out a tweet when COVID hit first and Louise you've talked about Facebook and email. So just like to talk to each of you a little bit about what, cause your both quite different businesses, which platforms and tools you really find effective in terms of communicating both to your brand values and also increasing your sales opportunities. Louise I might start with you on that.

[00:26:38] **Louise Palmer-Masterton:** Yeah, I mean, it's interesting probably going to get different answers from myself and Karl, cause I know that Karl is a big Twitter user, so it's interesting.

[00:26:45] I think a really good thing with all marketing tools is to use what you're familiar with and it's not necessary to use them all, so we don't have anywhere near as big a following on Twitter for example, as we do on Instagram and Facebook, so it's kind of a no brainer, but also at the same time, obviously the reason we've got those big audiences is because it's something that's worked better for us.

[00:27:05] So, I mean I would say, for us MailChimp is still our work horse, not just for actual sending of emails, collecting of emails, but also you can analyse, for example, you send an email out with various different things in it, you can analyse and see how many clicks something got, which obviously will gauge the amount of interest in something in a dish for example or a special offer.

[00:27:28] So yeah, MailChimp, there are others apart from MailChimp, but that's the one that we use. Instagram, Facebook are extremely useful. Another tool that we use now, which is a little bit more advanced, I suppose is something called ManyChat, and this is kind of new tech really, new ways of using data.

[00:27:45] Now ManyChat is what's called a bot. Hopefully, you know what a bot is, it's basically an automation which runs in conjunction with Facebook Messenger. I had lots of views about this before I started using it, meaning like, I wasn't really that keen, I didn't think it was going to work, but I was convinced by the data that came from that.

[00:28:01] So it's basically you take target ads towards customers. The action that they take is to subscribe to the messenger bot, the bot replies automatic, it's all automatic with various different options, it's basically an offer and the end result is that the person comes into your restaurant, they redeem their offer. They put

their table spend what they've spent in the restaurant, which all goes into a massive giant spreadsheet and you get all kinds of information. You get email information, and you get customer information and the amount of times they've visited how much they spent, and you get the all-important figure, which is the real Holy Grail, which is the return on investment for your marketing spend.

[00:28:37] So, that's a little bit more advanced, but it's good to have in your mind because that's the way that all this stuff is going and it's getting smarter and easier all the time.

[00:28:47] **Ruth Hegarty:** Yeah, and I suppose it can be maybe a bit overwhelming for people initially, they feel that, you know, it might be difficult to get to grips with the tech, but I mean, they do provide you with a lot of the data presented quite simply in many cases, don't they?

[00:29:01] **Louise Palmer-Masterton:** Yeah, I mean, that's just something to have, it is presented simply once you get it set up, but that whole system that I've just described, it starts with Facebook subscribers basically so that's, you know good to have in mind building an audience on Facebook.

[00:29:16] **Ruth Hegarty:** Karl which platforms then do you find are most effective for you in terms of reaching your customers?

[00:29:23] **Karl Purdy:** Oh, well, I mean I'm I've obviously mentioned Twitter, I don't think I actually find Twitter that great of a sales tool. I think it's good for messaging and kind of keeping your profile out there, but I think the fact that, you scroll so quickly past something that, and the feeds are never ending you know, your message can get lost pretty quickly.

[00:29:41] I think social media and that, whole concept of it can be terrifying, I mean, I'm a kind of an older generation, so it's not kind of a natural skill set that I have. But I think it's an absolutely essential piece of your toolbox for any business going forward and it's a constantly evolving toolbox. I mean LinkedIn I find that I communicate with a lot of our business customers. I use LinkedIn almost like a therapy session, you know I could put up little videos and I'd hear back from people who might be in a similar situation, it could be the fruit and veg supplier, he's struggling. Or you know Instagram is great as Louise mentioned that's very, very successful for us, but some things that we don't use, which we're already now looking at are things like Pinterest and Tik Tok.

[00:30:23] Again, our audience is quite varied, we have everything from 16-year-olds to 60-plus coming in and out of our shops. So, I think you need to understand who your customer base is and how you can communicate with them best, I mean Louise has mentioned Facebook and lookalike audiences.

[00:30:40] Those are great, great tools. I think it's probably wise to maybe start with something that you're familiar with because you can get lost in the apps and the platforms and what you're trying to achieve.

[00:30:51] There's a lot of benefit out there, but like most of what we've been talking about today, I think it's important to kind of drill down to something simple and focus on that and then watch the results and either make changes or push forward with certain things.

[00:31:06] **Ruth Hegarty:** Yeah, absolutely and I suppose look we've been talking about data and a lot of that is around technology and we've talked about these different platforms but as we touched on earlier ultimately, we are a people business that is hospitality.

[00:31:19] And I mean, is there something to be said for just old-fashioned talking to your customers as well and just getting their feedback face to face and if you are doing that, I suppose how do you actually use that and maybe feed that information back?

[00:31:33] **Karl Purdy:** Oh, I mean you know the amounts of customers we interact with on a daily basis now is a fraction of what we would have done 12 months ago.

[00:31:41] But, I think given the kind of the COVID concerns that people have, no one spends too much time in any premises it's very much an in and out scenario, but I mean hearing what people are saying, when are they coming back? What's, you know when we closed and reopened albeit limited, you know we scaled everything back in terms of our menu offer.

[00:32:02] We tried to make things as efficient as possible, we listened to our staff in terms of what they're feeding back to us. We have a little live chat on our website now, Intercom, an amazing Irish company, so if customers have questions, we can almost respond immediately. If they're looking for advice, you know that human connection is still there.

[00:32:20] Albeit where, you know we're divided by keyboards or the ether, internet ether, but you know I think it's important to listen and again much like the data, you know the customers can communicate in so many different ways now, whether it is a direct message on Twitter or something on Instagram.

[00:32:36] Whether it's email, you know, is still used albeit much less. So, I think it's just important to listen to and be prepared to, you know, to accept the things are still going to change. Even when we do get back open, I do think that a lot of the changes that have occurred over the last month or the last year are going to stick with us.

[00:32:54] People will still be comfortable, much more comfortable going forward using the online, being marketed to via Facebook or Instagram and you know I think it's making sure that you're obviously set up to get back to what you used to do, but also be prepared that, part of your business may still remain virtual and for people like me, that that's no bad thing.

[00:33:16] As challenging as the last year has been much like Louise said there's been some amazing wins and things that I've learned that you know I've learned probably more in the last 12 months and I've learned in the last 12 years and that's good, and surviving it is more important, but there's lots of lessons to take out of this and go forward.

[00:33:34] **Ruth Hegarty:** And Louise what about in your experience is there ways that we can bridge that gap? You know, use the tech to gather and analyse the data, but keep that human touch and contact as well?

[00:33:44] **Louise Palmer-Masterton:** Yeah, I think the there's the explosion of digital tech has been interesting, it's been interesting to consider customer service in a different way, for example, there's a plethora of order at table apps and all of that tech at the moment.

[00:34:00] And so you know the question was how do we then engage with our customers because it's a different way. So, if your customers sat at the table ordering themselves, I'm not saying we've 100% moved towards that because it's a big shift for everyone to take, including our staff, as well as our customers.

[00:34:14] But for me the idea of a customer being enabled, I'm very tech myself, I love this tech, so being able to do that bit myself, but engage with the staff in another way is an extremely good opportunity, I think to create a different sort of relationship with the customers. So, you've no longer got a staff member they're looking at an iPad inputting data or writing an order down, but you can make direct eye contact with that customer.

[00:34:38] You can talk to them about the menu, you can get to know them a little, you can ask them questions, you know about who they are, where they come from, just general chat and I think that level of engagement is actually, it's going to bring more to the table, so the tech will enable a higher level of engagement and more human touch.

[00:34:56] Which is a little bit counter-intuitive because a lot of people were very resistant to using this kind of tech, especially in a kind of dining establishment, I think it's quite different in a fast service, but in a dining establishment, you know people were thinking that this sort of tech is going to be the death of hospitality.

[00:35:13] You know, all our staff are going to be automated and you're never going to see anybody, but we found the opposite really.

[00:35:19] **Ruth Hegarty:** Great so, just to wrap up then, I mean obviously a lot of restaurants and hotels are closed at the moment, but in this period, as people are preparing to reopen, would you have one or two top tips on maybe steps they can take now to improve their data analysis and to gain greater understanding of their business for when they reopen?

[00:35:39] **Karl Purdy:** Well, I mean, I think you know, if, obviously I'm on social media a fair bit and I know that there's so many businesses out there who are already, communicating with their customers.

[00:35:48] I think it's keeping those channels open. Much like Louise has said, you know if you are able to email customers do that directly, it's an absolutely immensely successful way to communicate with people if they don't want to be communicated with, they'll simply unsubscribe.

[00:36:02] I think let them know what's happening, maybe let them know if your menu has changed or if your procedures have changed, if you're offering click and collect, if you're offering ready meals. I think it's a matter of just being prepared for the change that's coming, obviously hospitality at the heart of it is making people feel good.

[00:36:20] So, you know reassure them do that in whatever way you can, whether it is by social media or direct marketing, I think that'd probably be my best tip going forward.

[00:36:28] **Ruth Hegarty:** Great, Louise?

[00:36:29] **Louise Palmer-Masterton:** Top tips, well I've said it twice already, but if you don't do it already make an effort to collect people's emails and contact details and use them to create, as well as direct mail, lookalike audience on Facebook.

[00:36:43] It's very valuable marketing tool at the moment. Work out your GP margin on everything you sell, set a markup formula and stick to it, that's important. Analyse your best sellers, don't be afraid to make changes, create some sales targets that's always good to give people something to move towards and meaningful labour cost targets, in line with what we discussed earlier, particularly when you're a new business and keep it simple, keep it simple always.

[00:37:12] **Ruth Hegarty:** Absolutely and I think that is a key message that, people shouldn't be overwhelmed and should really start with what's familiar as you said earlier and start with the basics and work from there.

[00:37:21] So that brings us to the end of our sixth and penultimate episode of the Inside Food series. My thanks to Louise and Karl for joining us today and sharing their knowledge, much appreciated. You can find a number of practical tools to help you analyse your data in the Breakfast Innovation Toolkit on the COVID-19 Business Supports Hub at fáilteireland.ie.

[00:37:42] I'll be back in the final episode with Bryan Davern of the Pressup Hospitality Group and Professor Peter Jones of Wentworth Jones Hospitality Consultancy, and Dean of the eHotelier Academy, when we examine emerging trends in technology. Until then goodbye.

[00:37:58] **Voiceover:** The Inside Tourism Business podcast is brought to you by Fáilte Ireland, the national tourism development authority. Subscribe now on your favourite streaming platform and join us next time for more expert advice and insights.