

Caught in the net

Digital and social media are providing new opportunities for bars and clubs to attract and keep customers, reports Mark Ludmon

Forming a new Government proved a challenge last month, but the voting went more smoothly at the Old Brewery in Greenwich, east London. Leo Nicholson, a young pianist, was named as Mayor at the end of a marketing campaign harnessing the power of the latest social networking phenomenon, Foursquare. It works like a social city guide, in which people share information about their favourite places based on their location, using the GPS technology on devices like the iPhone and BlackBerry. Points and badges are awarded for "checking in" at venues with the goal of becoming the "mayor" of that location by checking in more often than anyone else.

"People referring products and services

via social media tools are the new king," explains Alec Fleming from The Old Brewery, which was opened by the Meantime Brewing Company this year. "The world's largest referral programme in history is now under way and there is no reason why this should not be applicable to the hospitality industry. We at Meantime aim to harness the power of social media in a fun, friendly and word-of-mouth format through which we can offer our loyal customers deals."

The Old Brewery awarded a prize of a free meal for two to the "mayor" who was at the top of the leader board on May 6. This is relatively new for the UK but Foursquare, which started only last year, has seen a lot of bars and cafés in the US offering "Mayor

Specials", such as a free coffee, a free appetiser or a discount for the "mayors" of their venues.

The opportunities of social media have been grasped by Barracuda Group, which has created the position of digital marketing manager for its 220 outlets. With a background at bar and club operator Novus Leisure, Simon Gaske has taken on the new role partly to make it easier for people to make pre-bookings for areas, booths and tables but also to link into social media, which is particularly important for younger customers using its Varsity brand. "Our audience communicates via sites like Facebook and Twitter so we must as well," he explains. "This leads perfectly into the tools they use to communicate. The smart phone and app world is too large to ignore and we plan on stepping into this world head on."

The newest social media tool is Crowdity which was launched last month by a team with a background at restaurant website Toptable.co.uk. It works by posting offers from restaurants and bars at www.crowdity.com but the offer can only be used if enough people respond to it by sharing it with friends. "If we can convince enough people to buy the deal that day then everyone gets it. If we can't convince enough people then nobody gets it," explains co-founder Emma Kennedy. Another new website offering an opportunity for promotion is www.PrivateDiningRooms.co.uk which lists venues with separate dining rooms available for



Customers of Varsity bars are switched on to social media

marketing and loyalty

private hire. As well as the Ivy and the Ritz, it lists top-end bars and pubs with private rooms suitable for corporate events or private parties.

While many clubs and bars are already on Facebook, it needs to be used intelligently, points out hospitality consultant Victoria Searl. "Many operators get social media wrong, using it as a platform to continually post offers and one-way communication. Readers very quickly start to ignore this approach. Using social media to connect with customers on a more personal level results in a more engaging dialogue, leading to loyalty and ultimately repeat business."

Loyalty

In the retail sector, so-called loyalty schemes such as Nectar have shown that their real value is providing a communication channel for targeted offers. Bar, pub and club operators have been deterred from looking at loyalty programmes because of the perception they are only for large multiples. However, technology is now available for even individual sites to provide loyalty card schemes, says Aruna Withane, business development manager for loyalty at e-payments provider sQuid: "A lot of individual bars and restaurants are looking to incentivise their customers," he says. "They may want to use discounts on food as a way of driving footfall during quiet times."

The new sQuid cards, which can be customised for each venue, are uploaded with a value that can be spent only at that bar, offering a means for rewarding purchases through points or discounts. They can also be used as a gift card for use in promotions to local businesses, Aruna says. The sQuid system is not expensive, with one pub already using the technology, he adds. At Nottingham Gateway hotel, it supports the new "We Love to Reward You" loyalty programme, awarding points for booking accommodation which can then be redeemed in the hotel's Strings bar and Bows Gallery restaurant.

Custom Card-IBS provides bars and clubs with tools for loyalty reward programmes, allowing customers to collect points on a plastic card or key fob and the venue to keep tabs on who is using promotional offers and discounts. "People discard flyers and paper vouchers but plastic cards are retained with a level of importance in a wallet or purse along with other payment cards," explains Erin Graham of Custom Card-IBS.

Promotions

Promotions, from discounts to sophisticated incentives, are a common tool for driving footfall but they must target the right profile of customers to match the bar, stresses Simon Kent, managing director of promotions agency Aim Solutions. "For instance, upmarket bars could use a draw to win a pair of



Mobile vouchers

Town & City Pub Company has begun using mobile promotional vouchers at its Slug and Lettuce bars through mobile phone application Vouchercloud. It enables customers to download digital vouchers based on their location and, showing the unique redemption code to waiting staff, they can claim a discount off their bill.

"The move to digital redemption creates a new communication link with our customers, delivering a compelling offer that is free to access," says Lisa Stoddart, head of online for Town & City. "The unique code enables us to track redemptions and evaluate our offers on a regular basis."

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tickets to an event or perhaps a track day to encourage initial visits, or a young and trendy venue could use a 'free hair cut' or a 'free mini beauty treatment' for the girls or a free paintballing session for the boys."

Bars also need to look at capturing data for follow-up marketing, Simon adds. "Younger people will be more mobile friendly and may be happy to text their details to a short code if they can get a free meal or VIP membership," he suggests. At off-peak times or to target older customers, people may be prepared to fill in a card to get a discount off their spend that visit. "Incentives should be as immediate as possible and deliver real value, then customers will surrender their data."

Many operators are still deterred by the task of gathering and using data, points out Chris Albutt, founder of TXD, which provides digital marketing solutions to bars, pubs and clubs. "They don't think it's worth the money but it's a goldmine of information," he explains. "They don't see the benefit and tend to stick to what they know which is sending girls out onto the street with flyers. They think it's going to be too expensive but data capture allows them to target customers more effectively."

TXD's Power To Market online digital marketing suite allows operators to send bulk SMS, email and direct marketing messages straight to customers easily. The latest addition is a function where a

Geronimo Inns

As well as using Facebook and Twitter to interact with customers, Geronimo Inns has built up a database of 18,000 contacts interested in its 28 pubs across London. The Geronimo Club allows the company to provide special offers, vouchers, news and quirky "bar chat", explains commercial director Ed Turner. "It's not just about promotions but about being able to communicate with them and tell them things in advance. It's also a way for them to write back to us and tell us if they would like us to do something."

As well as the promise of special offers and invites to parties, people are incentivised to provide their details – just their name, email and birth date – on the company's website or in pubs with the reward of a free drink.



marketing message sent by email or SMS can be automatically added to Facebook and Twitter. TXD is also launching eflyerme.com which is an online facility for clubs and bars to quickly turn a flyer into an email for marketing. According to Southampton-based Indigo Press, demand for printed flyers is as strong as ever. Through an online ordering facility, it is now producing flyers for clubs and bars not just in Hampshire but across the UK as far north as Scotland.

Victoria Searl stresses that having a database for direct marketing is proven to increase revenue if used with calls to action such as a booking form. "Unlike other traditional forms of marketing, it's completely measurable, allowing you to see who viewed your email, what interested them most and who they forwarded it to. By knowing which parts of the email interests your customers, the more you're able to continually refine all aspects of your marketing."

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