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# Return Engagement

Engaged customers can be key players in your restaurant's success.

By Rob Benes

**CUSTOMER** engagement begins when a guest makes a reservation, continues when the guest enters the restaurant and doesn't ever really stop, even after he or she leaves the premises.

"Every restaurateur's most important asset is engaged guests," says Linda Duke, chief executive of Duke Marketing, LLC, San Rafael, Calif. "For best results with customer engagement, you must have a passion for your business. When you do, it shows in your attitude, your menu, your service and your employees."

Erik Thoresen, director of research/consulting with Technomic, Inc., Chicago, says, "Customer engagement is an essential component of what defines the

success of a restaurant. At the end of the day, if a restaurant does not adequately engage the customer, another restaurant will. Customer engagement is at the core of what keeps customers coming back."

## ENGAGING CUSTOMERS

There are several strategies all restaurants can use to ensure that guests are given the service and interaction they expect. Here, Duke and Thoresen talk about how restaurants can maximize their efforts to keep guests coming back for a second helping.

### How can a restaurant engage its customers?

**Thoresen:** Best practices in customer engagement range from intensive

customer service training to outreach through social media platforms. Operators are looking for ways to reengage customers who might have cut back during the economic downturn. In situations like these, operators who have established a clear understanding of who their customer is have an advantage over the competition. One benefit to those operators who adopted social media platforms early on is that they have a direct line to lapsed customers.

### What areas of customer engagement should restaurants avoid?

**Duke:** I am not a big fan of discounting and couponing, unless the offer is extremely compelling and "on brand." Buy one, get one is what I call the easy man's marketing tactic, because it

doesn't take any creativity, is overused and is not memorable. Straw Hat Pizza, founded in California but now located throughout the U.S., recently incorporated visual marketing. The company created wall murals that show the brand's unique 50-year history and compelling brand elements in a way that is now being used in their new restaurants outside California. The way to engage guests is to find those unique stories and turn them into communications through printed menus, servers telling the stories, table tents or even wall decor.

**Thoresen:** Restaurant operators are looking for ways to move away from pricing promotions. In recent years, value has been defined primarily by lower price points and special deals. By focusing on alternate ways to provide greater experiential value to customers, operators can create more robust and more meaningful associations with their brand.

#### ***How important a role does a restaurant's staff play?***

**Thoresen:** Customer engagement and employee engagement are definitely interconnected. Customer engagement is driven, in part, by the service a patron receives at a restaurant. The quality of service is directly related to employee engagement. Restaurants must invest in staff through training and focus on retention to build a reputation for excellent service. This is a significant challenge in an industry that is known for high turnover.

#### ***What's the role of social media in customer engagement?***

**Duke:** While social media practices play a large role in promotion and marketing strategies, you cannot solely rely on those tools. The best and most effective practice is integration. Some guests like visiting social sites or receiving e-mails and text messages, while others prefer traditional methods such as print ads, direct mail or television/radio advertising. Create mini campaigns that encompass many forms of media to get the most awareness possible with different audiences.

**Thoresen:** Social media is changing the rules when it comes to customer engagement. The dynamic has shifted from restaurants engaging customers to customers engaging other customers. The upside is powerful word-of-mouth marketing. The downside, of course, is the intimacy that those who are critical of a particular restaurant have with other customers.

#### ***What social media outlets are available to the foodservice industry?***

**Thoresen:** We've seen a lot of buzz around sites like Foursquare and other location-based platforms. It's critical to keep an eye on how these develop moving forward. But these smaller platforms are still "niche" in nature. At present, restaurants should really have a solid strategy around the majors—Facebook and Twitter. There are a number of tools, such as Tweetdeck, that provide monitoring and tracking capabilities. The key metrics are really the size and growth of your respective social networks and the number of conversations happening around your brand.



Duke Marketing created a grand-opening event for Togo's in Upland, Calif., that pitted members of the police force against local firefighters in an eating contest featuring Togo's signature 8-foot-long sandwich.

#### ***How can a restaurant measure/gauge if customer engagement strategies are working?***

**Duke:** Operators should build measurements into their plan to get employees excited and motivated. Clearly defining expectations and getting employees to agree to them, and then offering them an incentive for achieving them, will garner the best results.

**Thoresen:** There's a growing trend in do-it-yourself surveying. Over the last five years or so, platforms like Zoomerang (by Market Tools) and SurveyMonkey have opened up powerful data-collection capabilities to the masses. Online survey development and deployment suites are affordable, flexible and easy to use. What's most important is what they ask. In addition to asking about overall experience, it's important to ask customers whether they plan to return. Another insightful metric is whether or not customers are willing to recommend the restaurant to a friend.

#### ***ONLINE RESERVATION TOOLS***

Customer engagement starts when a guest makes a reservation, so a venue must ensure that it has the capability to take an online reservation when the guest wants to make it. If it doesn't, that person may contact another restaurant.

There are several computerized online restaurant reservation tools on the market to help operators take reservations even when the restaurant is closed. The most widely used is OpenTable, which has more than 13,000 participating restaurants. Others are Urbanspoon, Reservation Genie, RezBook, Savvydiner, Dinnerbroker and Reservationist from Blue Skies Hospitality Management Systems (HMS), Austin, Texas. Each tool offers different features, widely varying startup fees and other user perks.

Several of the reservation tools, such as Blue Skies, allow guests to create a dining profile that includes information about food preferences, wine choices, server preferences, allergies and special events, as well as a photo, the number of times they have dined and other key stats.

“What our system does is reinforce the restaurant’s brand and its customer loyalty,” says Adam Christopher, president/CEO/co-founder of Blue Skies HMS. “Having the capability for staff to know what a guest likes or dislikes before they even step foot in the restaurant gives the restaurant such an advantage to create a memorable dining experience and engage the customer.

“A lot of restaurants know that the guest is why they are there, but once a guest arrives, staff often forget about the guest and begin to go through the motions of taking orders and serving food, without really engaging the customer and making the dining experience as memorable as it can be. This thinking enters into our software—as well as that of others—to help

restaurant staff create special moments before and during the guest’s visit.”

Because restaurants have such small marketing budgets, word-of-mouth advertising plays an important role in growing a restaurant’s following. “When you can create and capture special moments, and people talk about the wonderful dining experience, a restaurant will find success, because a rhythm of setting up expectations is established and people show up and they get that special moment,” Christopher says. “Online reservation software says to guests you are ready for business, ready to create special moments and ready to deliver a memorable dining experience.”

## OPERATOR VIEWPOINT

The Bristol Bar & Grille opened its first location 30 years ago in Louisville, Ky. Today it has five locations in Kentucky and Indiana. “When we first opened, the dining options were limited, so getting repeat customers was easier back then,” says Doug Gossman, president.

“Today there is so much diversity being offered on where to eat that it takes much more work to get customers coming back on a frequent basis. So what we need to do is keep our restaurant on their list of favorites, so when they start to think about where to go out to eat, we are always in the hunt. No matter how well you satisfy guests when they visit your restaurant, every potential restaurant-goer is bombarded with all types of coupons and invitations to go somewhere else.”

To keep the attention of his current customer base and grab the attention

## Customer engagement beyond social media

Linda Duke, chief executive of Duke Marketing, LLC, San Rafael, Calif., says there are several local-store marketing tactics any restaurant can undertake without incurring great out-of-pocket expense:

- **E-mail your best customers** with news about new menu items and special events and offers, and invite them to participate in a survey for gift cards and prizes.
- **Consider curbside pickup.** Customers love the convenience of being able to fax or phone in an order and have it paid for and ready.
- **Celebrate your business anniversary** with a customer appreciation event at a time of year that would result in the best return for your operation.
- **Call lunch customers** the same afternoon they visit. Thank them for their business and ask if everything met their expectations.
- **Hold an open house** for your customer list, especially in October or early November. Set up a tasting and take orders for the holidays.
- **Promote the children’s lunch menu** with a promotional tie-in with child-oriented businesses, and post fliers with coupons at those venues.

of new guests, Gossman experimented with several customer-engagement strategies. He tried LivingSocial.com, which allows users to purchase discounted coupons. Bristol Bar & Grille offered a \$30 coupon that cost a user \$15, of which the restaurant received 70%, or \$10.50.

“What we found was that people would spend up to \$50 when visiting the restaurant, so as long as they spend \$20 extra, it turns into a much better deal