



# WHAT REALLY MATTERS

Need-to-know data insights to aid operator innovation in hospitality and leisure

Hospitality Sector Council



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# Data to guide innovation and positive action in a highly disrupted industry

The hospitality industry has faced immense challenges over the past three years. From the pandemic to spiking inflation, supply chain disruptions, and squeezed consumer spending, operators have had to navigate a rapidly changing landscape to keep their businesses afloat. But despite these challenges, the industry continues to show remarkable resilience and adaptability.

Looking to the future, it's clear that there are critical areas of growing importance to consumers. Building loyalty, offering subscription options, and promoting sustainability are all key factors that customers consider when choosing where to dine or stay. Moreover, the rise of plant-based food options and the use of new technology are changing the game for hospitality operators.

To help small independent operators build more future-proofed businesses, we have collected the insights and best practices from industry experts, covering the areas really matter to today's consumers, and delivering practical advice and actionable steps to help you succeed in the hospitality industry.

While disruption may be an ever-present aspect of business moving forward, we hope this guide gives you the data – and confidence – to act decisively in your future innovations and embrace the challenges ahead.

# THE ROUTE TO LASTING LOYALTY...

Loyalty schemes that **reward customers with a discounted/free item** after they have made a certain number of orders are the **most popular**.



The preference is for **stamp loyalty schemes**, as they are more familiar and universally recognised in terms of value.

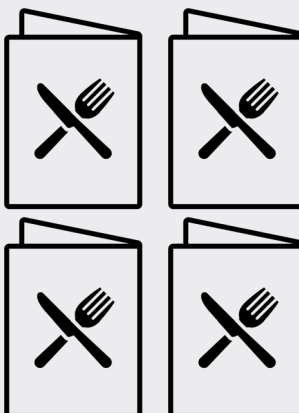


**£ not %**

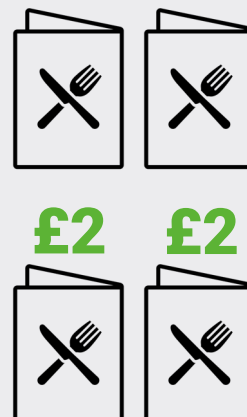
Preference for **fixed value discounts** versus percentages.

**Lump sum discounts** are preferred versus numerous smaller reductions (4 orders to get £8 off drives higher sales than £2 off across 4 orders).

**£8**



**£2 £2**



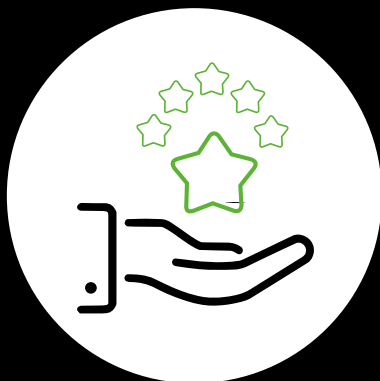
**Use these insights when designing your loyalty/offers to maximise your return on investment.**

# SECURING SUBSCRIPTION SUCCESS



Customers with fixed subscriptions are more likely to offer and spend more.

Loyalty programmes can tie behavioural loyalty into new purchase habits.



**BUT...** subscription services can be seen as restrictive for occasional purchases – they work best for higher frequency, less differentiated products (e.g., coffee/sandwiches).

**These insights could be relevant for multi-brand operators, and suitable for high frequency operators such as coffee etc.**

# ACTING ON SUSTAINABILITY

**Product and business sustainability credentials are likely to influence purchasing behaviours**

**61%**

are concerned with food sources.<sup>1</sup>

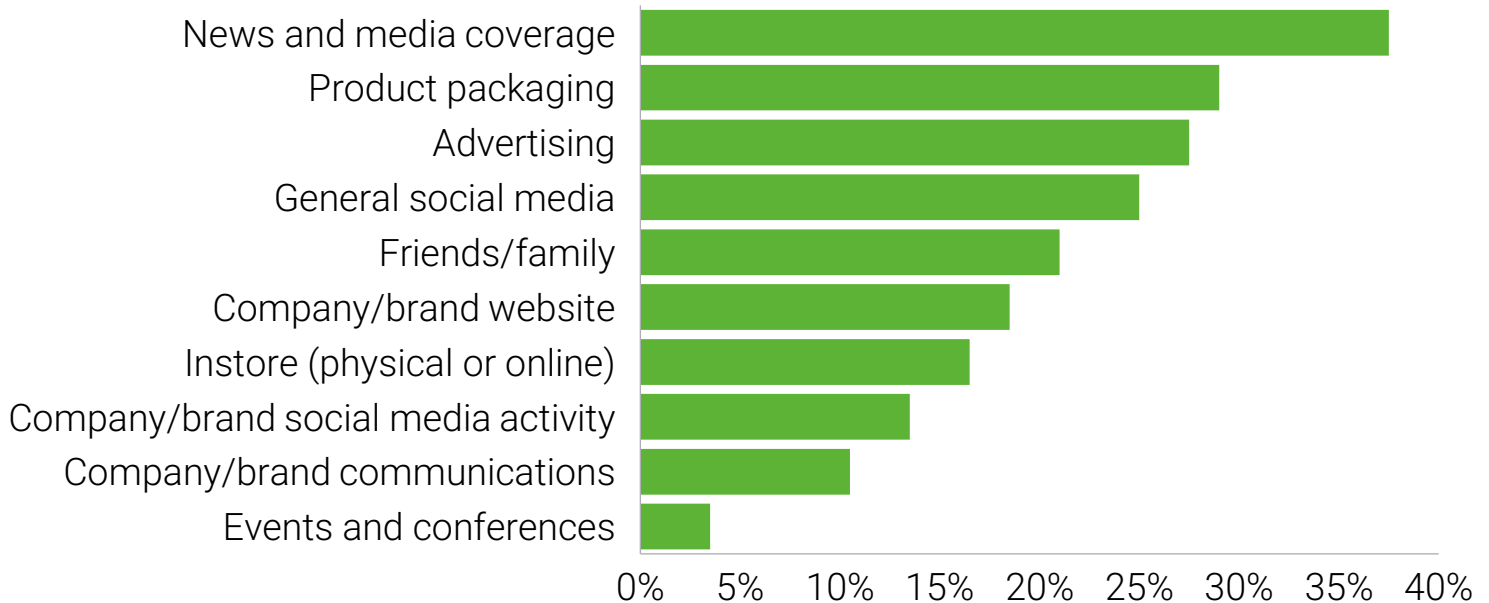
**49%**

say their ordering decisions are influenced by sustainability.<sup>1</sup>



**Packaging is critical** – customers infer a disproportionate amount of information from a business' packaging.<sup>1</sup>

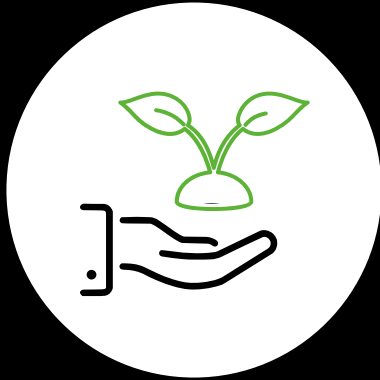
## HOW DO CUSTOMERS WANT TO HEAR ABOUT A BRAND'S SUSTAINABILITY INITIATIVES?



Source: Glow UK Brand Sustainability Report - Good & Grocery 2022

**Sustainable packaging is key to positive brand perception.**

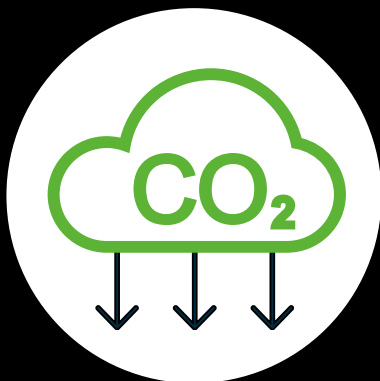
# ACTING ON SUSTAINABILITY (CONT'D)



**Consumers want brands to take the lead – they want to feel good about supporting an ESG leader without any extra effort on their behalf.**

Rather than having to choose a sustainable product from the menu, consumers would rather choose a restaurant where all ingredients/meals are sustainable choices – taking the lead.

**Seeing is believing** – customers prefer to see tangible action on local causes/ethically-sourced supplies than a company's abstract sustainability target.



**Carbon emissions are less of a focus in relation to restaurants** – customers tend to view carbon emissions as a global issue more driven by oil/gas/aviation.

**Educate customers on the tangibility of sustainability targets and lead efforts at community and internal operational levels.**

# PLANT-BASED FOOD

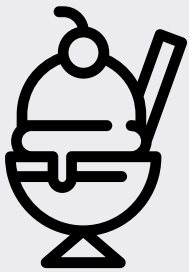
Deliveroo data suggests **38% of customers have a dietary need or regularly order with someone who does** (vegetarian, halal and vegan most popular).

10,000+ restaurants offer plant-based options on Deliveroo, and around **13% of Deliveroo orders in 2022 contained vegan items.**



# 14%

**of adults in the UK (7.2m) are following a meat-free diet.**



**The top vegan brands tend to over-index on dessert orders (10% of orders).**

## CASE STUDY EXAMPLES

- **A national burger brand now drives 15% of revenue through vegan options (was 3% before launching new vegan options).**
- **An Italian food brand now has 16% of orders containing vegan items (4% before launching new vegan range).**
- **An Asian food brand's vegan sales are up more than 25% since launching new items (65% of total orders contain vegan items – 49% before launching two new vegan dishes).**



# PLANT-BASED FOOD (CONT'D)

Consumers are being more selective and demanding for plant-based foods. Four key areas must be considered carefully:



**Choice** – customers expect variety of delicious, exciting and healthy foods across all day parts.



**The right price** – people expect vegan and non-vegan items to be price comparable.



**Visibility** – Customers may find it hard to find plant-based options on the menu.



**Transparency and values** – adding dietary labels to eligible items is key to building consumer trust.

**Add at least one vegan item across all menu categories – including desserts – and highlight them! Consider special dishes around key dates too.**



# HEALTHY EATING

**42%**

of adults globally (across nine countries) have adapted healthier lifestyles to improve their overall happiness, and a further

**39%**

intend to do so.

**HOWEVER, 3 IN 4 GLOBAL CONSUMERS AGREE ON THE IMPORTANCE OF INDULGING.**

**Research from Tesco showed:**

**86%**

of its shoppers want to eat more healthily

**49%**

want Tesco's help to achieve it.

The impact of calorie labelling on the Deliveroo platform diminished over time – consumers quickly became used to it, and it has not affected purchasing behaviour overall.



**Be prepared to nudge consumers to healthy options and be transparent about it!**



**Indulgent options are also important.**



**Consider whether indulgent options must always be unhealthy – consider wellness-focused indulgence propositions too.**

# ONLINE PRESENCE AND SOCIAL MEDIA



Consumers look for key information online when looking for where to eat and drink:

**46%**

**check menus**

**40%**

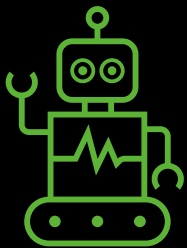
**prices**

**39%**

**opening hours**

**28%**

**check reviews**



Forbes research suggests a newer trend in the food industry is the use of website chatbots. A chatbot can now:



**RECOMMEND  
DISHES**



**SUGGEST FOOD**



**PAIR DRINK  
OPTIONS**



**PROCESS  
PAYMENTS**



**ASK FOR  
FEEDBACK**



**OFFER  
PROMOTIONS**



**ANNOUNCE  
EVENTS**

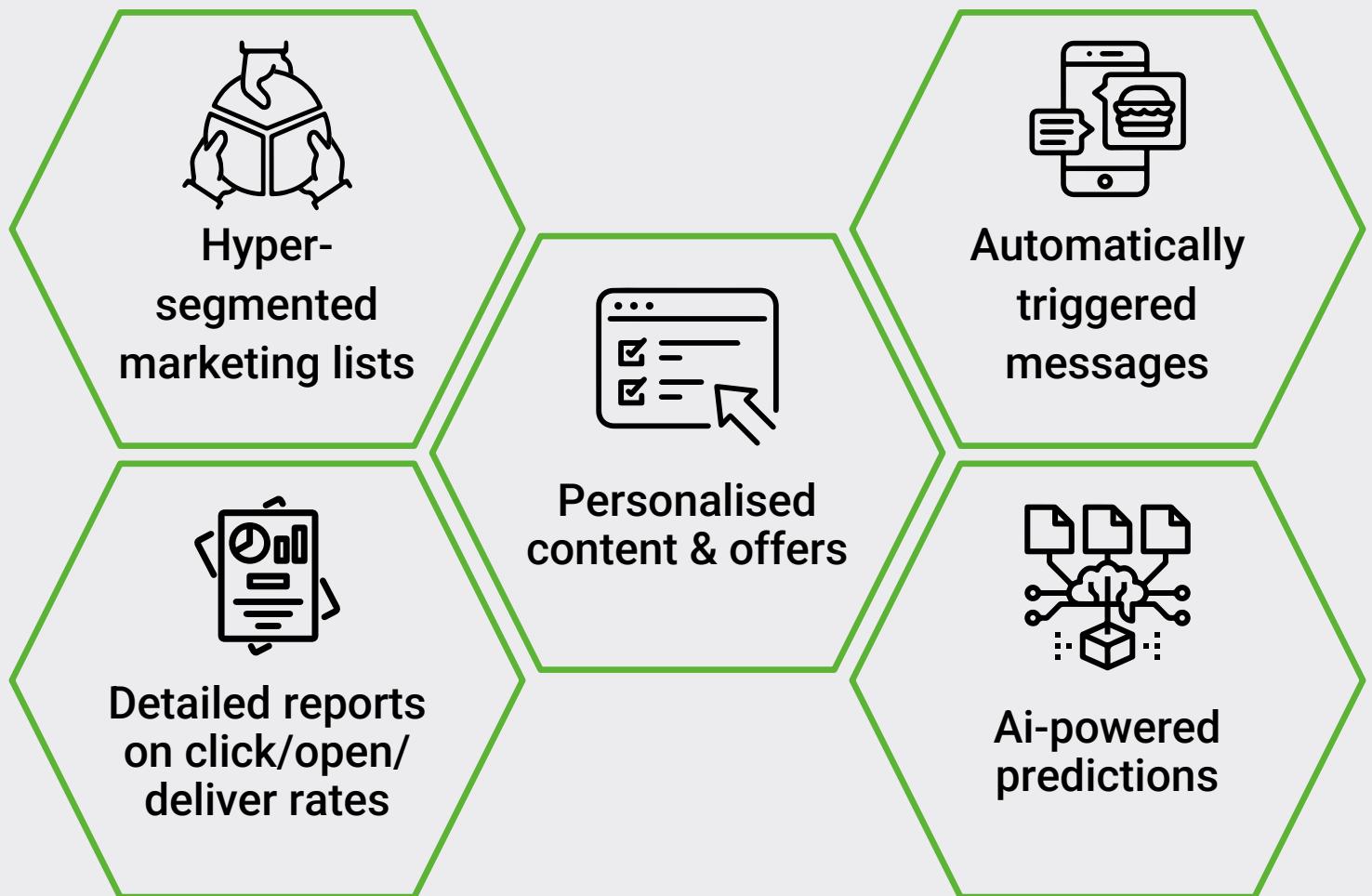


**EVEN CRACK  
JOKES**

**Ensure your online presence contains these 'must-have' data points.**

# ONLINE PRESENCE AND SOCIAL MEDIA (CONT'D)

In addition, cutting edge marketing automation platforms offer triggered campaigns that can run across multiple communication channels using AI technology.



**Consider the use of new technology to enhance the customer experience or ensure marketing capability is maximised.**

# ORDER AND PAY

**46%**

of **18-to-34-year-olds** often use Apple or Google Pay...

**7%**

... and nearly eight times that of people aged **over 55**.

**23%**

...twice the number among **35-to-54-year-olds**.



## Online payments breakdown for in-venue pub, bar, and restaurant orders:

**34%**

Cash on delivery

**34%**

Key-in card

**14%**

PayPal

**13%**

stored card details in app or browser

**9%**

Apple / Google Pay

Source: GO Technology

**Traditional forms of payment are still the most frequently used. While digital ordering is rising in popularity, particularly for younger consumers, be wary of moving to a fully cashless model.**

# USE OF SELF-ORDERING KIOSKS

**60%**

of people would be influenced to choose one outlet over another based on them having self-serve kiosks.



Customers believe that the experience is enhanced by using kiosks, due to:

**52%**

**FREEDOM TO BROWSE THE MENU**

**46%**

**NOT HAVING TO QUEUE**

**34%**

**EASIER TO PERSONALISE CHOICES**

**23%**

**NOT HAVING TO INTERACT WITH STAFF**

Source: Kantar

**Use these insights when designing your loyalty / offers to maximise your return on investment.**

# USE OF SELF-ORDERING KIOSKS (CONT'D)

The research also suggested that positive behaviours were encouraged via kiosks:

**63%**

**EASIER TO BROWSE  
THE MENU VS CHOOSING  
VIA A MENU BOARD**

**63%**

**QUICKER THAN  
ORDERING VIA A  
STAFF MEMBER**

**61%**

**EASIER TO CHOOSE  
WHAT THEY WANT**

**58%**

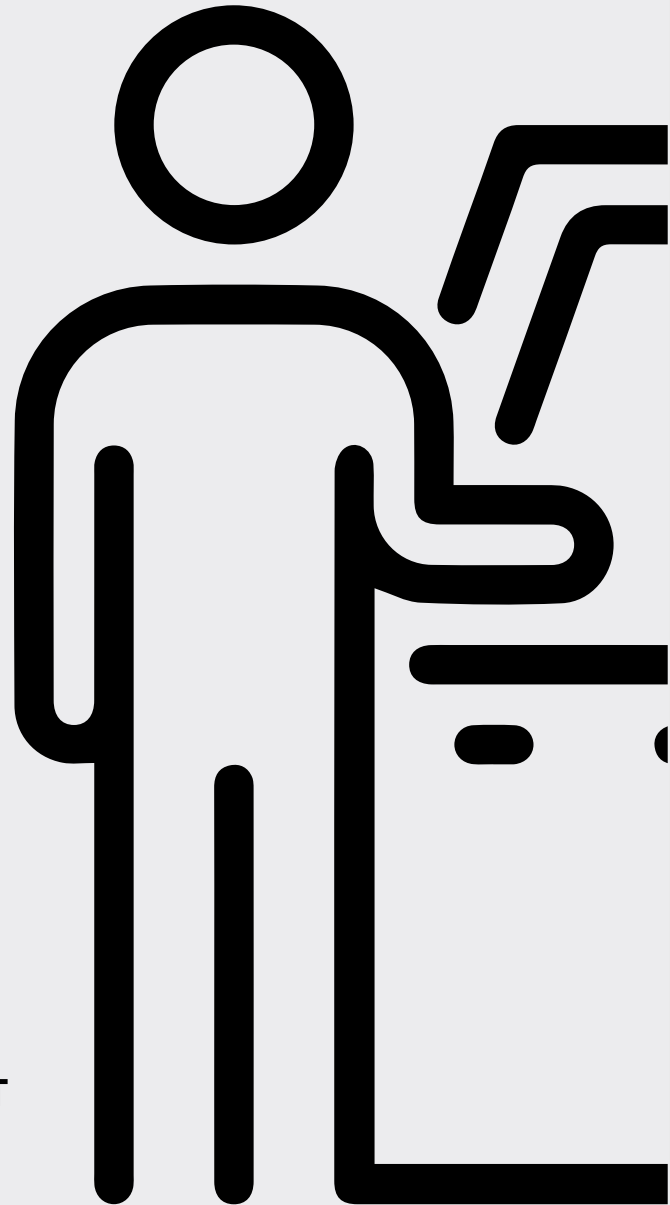
**EASIER TO FIND  
NEW PRODUCTS  
OR DISHES**

**56%**

**FEEL MORE RELAXED  
COMPARED TO  
ORDERING OR PAYING  
VIA A MEMBER OF STAFF**

**51%**

**FEEL LESS LIKELY  
TO BE JUDGED ABOUT  
WHAT THEY ORDER**



Source: Kantar

**Use these insights when designing your loyalty/  
offers to maximise your return on investment.**

## ABOUT US

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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