



IMPROVING RESTAURANT MARKETING WITH

CUSTOMER SEGMENTATION

Understanding **CUSTOMER SEGMENTATION**

When it comes to effective brick-and-mortar marketing, market research is an essential component to help you understand who your customers really are, where their interests lie, and how they prefer to spend their money. Market research is a field that uses data to make evidence-based conclusions using a variety of statistics and analytics.

This information can help guide brick-and-mortar marketers when creating new marketing campaigns or optimizing existing ones. It also helps businesses assess the feasibility of new products, services or menu items before putting them on the market.



When creating customer segments, there is one thing that marketers must have in their arsenal - reliable, accurate and comprehensive data.

GATHERING DATA FOR RESTAURANT MARKETING

Restaurant marketers are faced with a challenge when compared to online companies. Businesses that are online can easily capture demographic, behavior, and spending data from their customers using ecommerce and website traffic analytics tools. They quickly build massive databases of customer data from which to segment, analyze, market and test.

Offline companies, on the other hand, have not had this advantage. Without the benefit of having actual customer data to use for creating marketing campaigns, marketers are left to base campaigns and messages more on their personal opinion. In this situation, effective marketing becomes extremely difficult to manage, measure, and keep profitable.

So restaurant marketers have been required to collect customer data using other methods.



Traditionally, offline customer data has been expensive to obtain from third-party market research companies. And those who have tried to gather the data themselves have realized it can be very time-consuming, and sometimes off-putting for their customers.

It is, however, extremely important to do because it can help you identify where the highest-potential opportunities are in your market and help you build creative strategies to take advantage of them. The problem for most companies is finding this information in a safe, secure, unobtrusive, and inexpensive way.



WiFi Analytics

CUSTOMER DATA COLLECTION

Fortunately, there is now a way for offline restaurant marketers to collect large amounts of customer data that is much less expensive than traditional market research.

The data is gathered in real-time from a considerably larger sample size of your actual customers, and it can be sorted and filtered for easy customer segmentation.

The technology uses your existing guest WiFi access points. When customers come in to range of your WiFi, their mobile device can be logged and tracked in a database based on the unique ID of their mobile device - **whether they log in to WiFi or not**. From that point on, the system will recognize the device every time it comes back within range of your WiFi access point, and it will continue adding anonymous behavior data into the database.

When a customer does log into your WiFi, the system will create a new customer profile and begin logging all behavior data for that customer, such as dwell time, visit frequency and visit days/times, into the customer profile. If the system recognizes the device from previous visits, all of the previous anonymous data associated with that device is copied from the database into the new customer profile.

Through a process called progressive profiling, a complete and accurate customer profile can be created. Progressive profiling will analyze the customer's profile each time they log in and instead of asking for the default email address every time, it will prompt them for a missing piece of data from their profile, such as their birthday, gender, or postal code.

Over time, you can build a customer database of hundreds-of-thousands of customers or more – each with a detailed customer profile.



Segmenting Your Customer **DATA BASE**

Once you have an established a growing list of customer profiles, you can begin analyzing your customers based on actual demographic and behavior data.

Start by spending some time reviewing individual customer profiles. Before long, you'll begin to see similar profiles that you can start mentally grouping together. These may be close to the ideal customer or specific segments you already had in mind, or you may be completely surprised as to what you discover.

Eventually, you'll have a much clearer view of the various segments of demographics, psychographics, and behavior patterns within your current customer base. This is when you can begin creating your list of general customer segments, also referred to as personas.

These are the personas you will use when brainstorming, creating, implementing and measuring your newly created or optimized marketing campaigns to your various customer segments.



WHY IS CUSTOMER SEGMENTATION IMPORTANT?

Without knowing who your customers are, what they prefer, and how they behave, marketers are forced to create mass marketing campaigns – sending a single marketing message to their entire customer base in hopes that it will resonate with as many of them as possible.

Would you send the same message to work-at-home mothers who visit during lunch hours the same message you would send to your late-night happy hour crowd? Maybe you would, and maybe it would resonate with some of them. But wouldn't it seem much more effective if you were able to send entirely different messaging to customers in each individual group?

You wouldn't be wrong if you said yes. That's the very idea behind customer segmentation. In fact, according to a study from Mailchimp, marketing email recipients are 75% more likely to click



on emails from segmented campaigns than non-segmented campaigns. And an article from CMO.com stated that targeted promotions are, on average, almost twice as effective as non-targeted ones. Mailchimp also noted that email open rates are 14.31% higher in segmented campaigns.

How do consumers feel about targeted promotions? According to a survey by social marketing firm Communispace, consumers are willing to trade their data for deals, points, or discounts. And younger people are more willing to do so than older consumers: 60 percent of Millennials would willingly share their data for coupons or promotions.

What to do with your **NEW CUSTOMER SEGMENTS**

Once you have researched your customer database manually and have formulated a few personas based on the data you've collected, it's time to start creating individual lists of customers who are specific to each segment. The Bloom Intelligence platform makes it easy to create and save these lists for future use.

Lists can be filtered and built based on many different metrics such as customer age, gender, visit count, days since their last visit, or their average dwell time. As you build each list, keep in mind that a single customer might match the criteria you select for more than one list. In this case, you'd need to be careful not to send too many marketing messages to any one customer.



Once your lists are built, you can then move on to creating the individual marketing campaigns that will be sent to each individual list.

AS YOU MOVE THROUGH THIS PROCESS...

Ask yourself these questions for each individual customer segment you've created:



1. What kind of action do I want this customer to take?
2. What is the best way to reach this customer?
3. What kind of deals or promotions would interest this customer?
4. What kind of deals and promotions would this customer NOT be interested in?
5. What new products or services might engage this customer?
6. What are this customer's pain points? Why do they need what I offer?
7. How can I attract and engage more customers like this?
8. What type of imagery would engage this customer?

Now that you have your customer segments properly defined, and you have an idea of the marketing messages and promotions you want to send to them, it's time to get started.

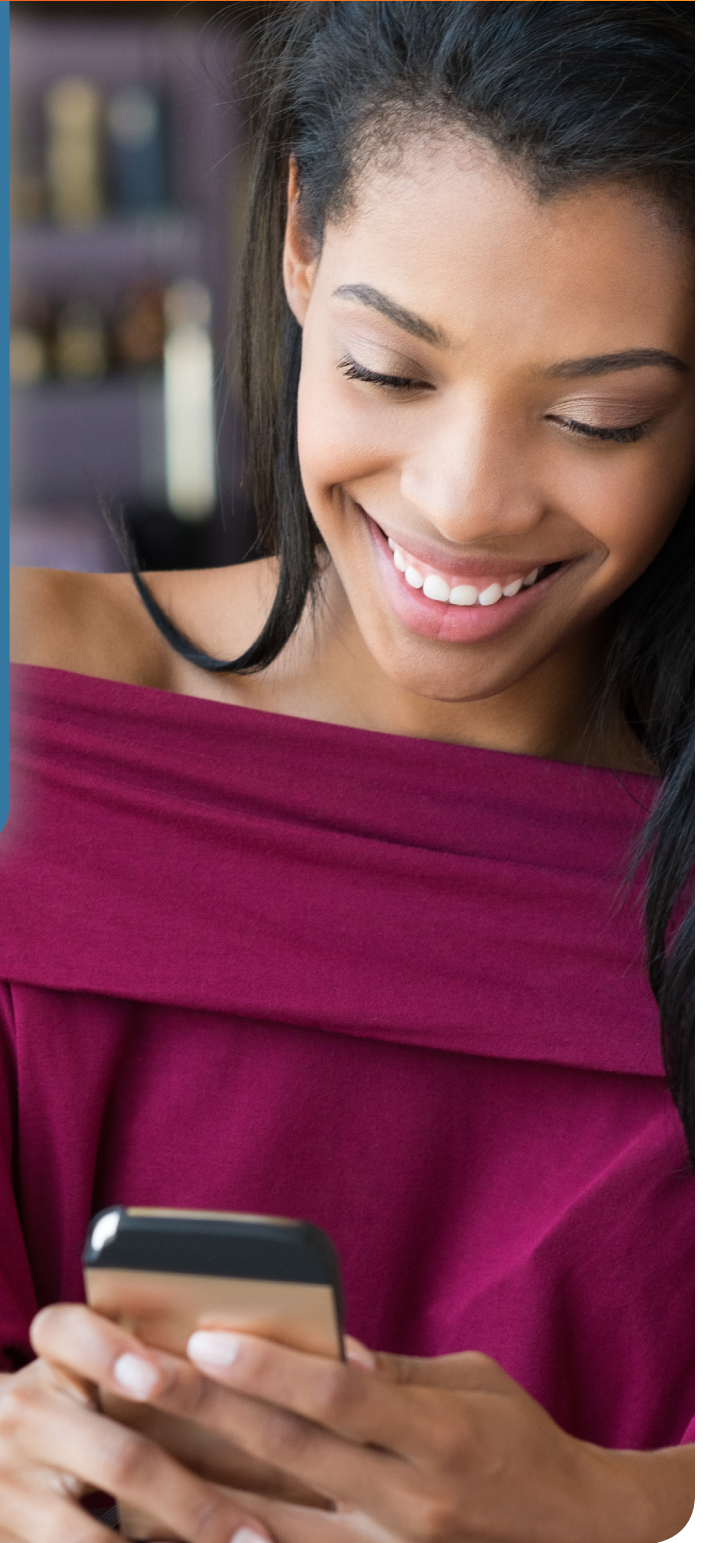
And don't forget that you're not just targeting current customers. You should

also be seeking out new lookalike prospects online and targeting them in an effective manner using the data you've collected and customer segments you've uncovered. These prospects should have a higher probability of becoming a new customer, providing a more cost-effective means of acquiring new customers.

CUSTOMER SEGMENTATION AND MARKETING EXAMPLES

Based on the statistics discussed above, it's clear to see that having the ability to collect customer profile information and segment those customers for individual marketing campaigns can have a huge impact on your business.

Let's take a look at a few examples of customer segments and marketing campaigns that might work with each of them. In these examples we'll use a 4-store multi-chain fast casual restaurant as our business.





EXAMPLE 1

One of the stores is experiencing much less dinnertime foot traffic as the other three. We would like to create a marketing campaign with a goal of increasing foot traffic after 4pm to the store with the lowest traffic.

SOLUTION

After brainstorming, it is decided to create two different segments with two different marketing messages for this campaign. One segment will be for guests who regularly visit the troubled store, and the other segment will consist of guests at the other three stores.

For guests of the troubled store, we'll create a marketing message encouraging them to come back for dinner by offering a free drink or appetizer with the purchase of a dinner menu item. The message will be straightforward and pleasant in tone.

For the customers of the other three stores, we will send a message with the same incentive – a free drink or appetizer – but the message will be different. It will let them know that your company has another store in the area, and the incentive will only apply at that store.

With Bloom Intelligence, campaign tracking and monitoring can be done at the campaign level, so it will be very easy to see the results of each campaign. You'll know how many customers returned and redeemed your offer from each individual campaign.



EXAMPLE 2

One of the stores is experiencing a growing customer churn rate. You would like to create a marketing campaign to re-attract those churned customers. Obviously, you'll need an incentive to get those customers back in the door, so you decide to offer a BOGO entrée deal that will expire in 30 days.

SOLUTION

Your customer segment might consist of customers who:

- **Visited your store more than once in the past**
- **Have not visited in 60 days or more**
- **Have an average dwell time of more than 15 minutes**

Then, you simply send your offer to all the customers in this segment and monitor the results in your campaign dashboard. At the end of 30 days, you'll know exactly how many of those customers have returned to your store.



EXAMPLE 3

Mother's Day is approaching, and you wish to fill up your dining rooms in all of your locations. In this case, you may or may not wish to offer an incentive. Either way, you decide to send one message to male patrons and a different message to female patrons.

SOLUTION

You will segment your entire list of customers (from all stores) into males and females.

The message you send to the male customers will include verbiage aimed at treating the mothers to a great time at your establishment. The message you send to females can include verbiage aimed at treating themselves, and it can include a discount or free item for all the mothers at the table.

Again, since individual marketing campaigns can be tracked using Bloom Intelligence, you'll know exactly who came back to your store on Mother's Day. If successful, you can execute the same marketing campaigns next year.



What to do with your **NEW CUSTOMER SEGMENTS**

As a marketer, you probably already know that executing marketing campaigns and measuring their success is not the end of the process. You should always be testing.

Just as you would test different marketing messages and media, you should also test different segmentation criteria. For instance, in the example above related to churning customers, you might want to change your segment criteria to customers who have not visited in 30 days, or 90 days, or any other length of time. Or you could send to customers who have been to your store more than twice.

You might experience entirely different results from making one of these simple

changes. Without testing, you'll never know if your campaigns are as optimized as they can be.

Remember that testing more than one element at a time can become confusing and may skew your results, so if you make a change to the customer segment, try to send the same marketing message that you sent in a prior campaign. This way, you'll know that it was the segment change that caused any difference in results, and not the message itself.

How Bloom Intelligence **CAN GET YOU STARTED**



The Bloom Intelligence WiFi marketing and analytics platform makes it easy to collect detailed customer profiles and segment them into various customer segments that can be saved for use in the automated marketing platform.

You'll be able to create as many lists as you wish, and whenever a customer meets the list criteria, they will be added to the customer segment automatically. You can create marketing campaigns for each of these customer segments that can be scheduled, one-time, or recurring. Or, they can be triggered immediately

when a new customer is added to the segment.

Imagine the increase in marketing ROI when you can accurately target your marketing efforts to individual customer segments.

You'll be able to make much smarter decisions as to what areas of your current marketing strategies can be tested for improvement, and how you can create new, more effective and engaging restaurant marketing campaigns.



SMOOTHIES
 COLD BREW \$9.95/\$9.65 COLD BREW, BANANA, CACAO POWDER, COCONUT MILK
 QUEEN BEE \$6.25/\$7.00 ORANGE, BANANA, COCONUT MILK
 BEE COLADA \$6.95/\$8.40 PINEAPPLE, BANANA, COCONUT MILK
 STRAW-NANA \$6.25/\$7.70 STRAWBERRY, BANANA, STRAWBERRY JUICE w/ MILK
 GREEN STRAW-NANA \$6.95/\$8.45 STRAW-NANA w/ SPINACH
 BEE NUTS \$6.75/\$8.25 1/2 1/4 BANANA ALMOND MILK & DATES
 BEE BERRY HAPPY \$7.25/\$8.95 BLUE-B BLACKBERRIES, TOPIFRIBBLES, RASP. JUICE
 BEE LICIOUS \$7.95/\$9.65 GOJI BERRY, BANANA, CACAO POWDER, MILK, ALMOND MILK
 BEE TROPICAL \$6.75/\$8.25 MANGO, BANANA, COCONUT MILK
 BEE GREEN \$7.25/\$8.75 GREENS, AVOCADO, APPLE, APPLE CIDER, MINT
 BEE REFRESHED \$6.95/\$8.50 PINEAPPLE, GREENS, MINT, COCONUT
 BEE STING \$6.95/\$8.45 PINEAPPLE, APPLE, SPINACH, APPLE CIDER
 BEE SWEET \$7.95/\$9.65 SWEET POTATO, DATES, BANANA, & TURMERIC
 ADD-INS \$1.25 YOGURT, KALE, SPINACH, AVOCADO, HEMP SEED, CHIA, FLAX, COLLAGEN, L-GLUTAMINE

SHAKES \$7.75/\$9.50
 MADE WITH 100% DAIRY FREE FRESH FRUIT
 CHOCOLATE BANANA
 BANANA

ON ICE
 COLD BREW \$2.75/\$3.00
 ICED TEA \$2.75/\$3.00
 ICED LATTE \$3.95/\$4.25
 ICED MOCHA \$3.95/\$4.25

Some Like It Cold

Some Like It Hot
 BLENDED, STEEPED & SIFTED

COFFEE \$1.75/\$2.00
 LIGHT ROAST: ETHIOPIAN HARBO GOYO
 MEDIUM ROAST: COSTA RICA TERRAZO
 DARK ROAST: HEART OF DARKNESS
 DECAF: GUATEMALA
 SPECIAL: ASK US!
 CAPPUCINO \$3.25/\$3.50
 ESPRESSO \$2.75/\$3.00
 LATTE \$3.50/\$3.75
 RED EYE \$3.50/\$3.75
 EXTRAS: NUT MILK \$0.50, SWEETENED \$0.50

TEA \$2.00/\$2.50
 MATCHA: INJANI BLEND
 PEACH, MINT
 VERY TROPICAL
 VANILLA COLD BREW
 COCONUT PINEAPPLE

THE KEY
 TO WHAT'S RIGHT
 FOR YOU

GRAIN/GLUTEN-FREE
 SOY LEGAL
 DAIRY-FREE
 NUT-FREE
 EGG-FREE



BLOOM
 INTELLIGENCE

sales@bloomintelligence.com | bloomintelligence.com