# Worldwide Hospitality and Tourism Themes

**Emerald Article: The potential role of the internet in promoting pub food**
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# The potential role of the internet in promoting pub food

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## Abstract

**Purpose** – The purpose of this paper is to consider the potential role of the internet and social networking in the promotion of public houses in general and pub food in particular.

**Design/methodology/approach** – The paper considers various models for the use of the internet in marketing, and tries to place the food offerings of public houses within such frameworks.

**Findings** – The models do not appear to apply to the demands of the small business sector under consideration.

**Research limitations/implications** – The work is primarily limited to a literature review. More theoretical and empirical research is needed to examine how the internet can actually support the marketing needs of individual public houses.

**Originality/value** – The paper provides an examination of the potential of the internet and suggests directions which owners/managers could follow to gain commercial benefit.

**Keywords** Public houses, Pub food, Internet, Promotional methods, Social networking sites

**Paper type** Literature review

## Introduction

Recent legislation, most markedly from the public smoking ban, has seen a marked decrease in the number of consumers visiting public houses on a regular basis. The effects of this, according to the British Beer and Pub Association (BBPA, 2011) are that pubs are now closing at a rate of 39 a week, down on the 52 a week closure rate in the first half of 2009. A total of 2,365 pubs closed in 2009 and over the same period 24,000 jobs were lost in the sector. In order to try and arrest this decline publicans are looking to technology in general, and the Internet specifically, to drive increased traffic to their premises.

The second major threat to the viability of the public house is the pricing structure of supermarkets. Anthony Cork, of the accounting firm Wilkins Kennedy, in an interview with Terry Macalister of *The Observer* (6 June 2010) states that "Bars continue to suffer an intense competitive threat from the buying might of the big four supermarkets, undercutting local establishments and encouraging people to drink at home cheaply and 'pre-loading' before coming out. The choice available in supermarkets is so extensive that pubs can only compete on that aspect without reshuffling their contracts with suppliers and that can be difficult."

## The solution: pub food and internet marketing

The rapid growth of pub food is clear. In 2010, 9 per cent of people ate in a pub about once a week, 10 per cent about once a fortnight, 20 per cent about once a month, 13 per cent at least once every three months, 17 per cent less than once every three months whereas 28 per cent never eat in a pub (Mintel, 2010). The importance of food to many

pubs is clear, so the aim of each licensee must be to ensure that customers use his or her pub for their meals. As the internet is commonly regarded as the salvation for many retailers, it is hardly surprising that many people believe that pubs will benefit from an internet presence: "The advent of the internet has proved to be a real boon for independents with their limited budgets. Websites are a cheap and easy way of promoting themselves to potential customers anywhere in the world and a surprisingly large number of independent bars and pubs . . . had websites . . . including those in the most rural of locations" (Mintel, 2001a). As Luck and Lancaster (2003, p. 213) assert, the internet has "the potential to revolutionise the way companies build brands, sell products/services and even develop relationships".

The internet, it was argued, would result in the removal of the traditional barriers to entry, and market share, which had existed between SMEs and larger organisations. Thus, according to such conventional wisdom, lessees and sole owners would be able to compete with managed estates. However, the practice has been much more complicated than the initial theories would have had us believe. Kalakota and Robinson (1999) predicted that the organisations that would thrive in the digital economy were those that could innovate and adapt their business model in their entirety. Traditional commercial sectors faced a particularly complex choice; innovate for competitive advantage or lose out to those who had. There is probably no more traditional sector than the hospitality trade and in particular the local public house, and so it would appear to an ideal candidate for an internet presence.

Unfortunately, one of the biggest potential opportunities has turned into one of the biggest challenges for licensees. "The majority of firms still use the Internet for informational purposes . . . Small companies are at a relative disadvantage in resource terms" while "larger firms are likely to be more sophisticated in their use of the internet" (Arnott and Bridgewater, 2002). Nevertheless, some have benefited from the use of the internet. John Ray, head of the restaurant sector at Google, explained to Claire Dodd in the trade journal *Publican* (July 22 2010) that he has watched as consumers have increasingly turned to the Internet to locate where they will eat. He also noticed that the average person spends 52 minutes online daily and that seventy-six per cent of people search for local services, with restaurant-related queries in particular growing by 30 per cent from 2005 to 2009. He noted that in the USA 82 per cent of diners go online for information on restaurants and that 75 per cent use search as part of their decision. Google is expecting to have such important figures for the UK very soon. Ray maintained that Google drives 45 per cent of all web traffic to the UK restaurant sector and people who own an iPhone are 50 per cent more likely to do a Google search. For John Ray, these figures underline the need for public houses to have an internet presence.

During the past two years, the social utility Facebook also became an important way for pubs to do advertising. Many pubs created groups on it to let their customers see the different activities proposed, together with their menus and prices. However, many people have reduced their frequency of eating out because of the recession. Further, it seems that customers prefer to check on the internet the place they are planning to eat to make sure they will know and appreciate the menu. The internet has become a mainstream societal tool as it yields information on almost everything and used appropriately it can boost the food sales of public houses (*Publican*, July 22 2010).

The real question that must be asked is the purpose of an Internet presence. It could be used as a purchasing function, checking on the prices of supplies from rival firms. This would not be of much value to managed houses, as their purchasing is performed centrally (Pratten, 2005) and the lack of time is a factor for the independent traders (Pratten, 2003). Nevertheless, the internet could have a value. The internet could also be used by customers wishing to place their orders in advance of their visit. Some outlets have found this a valuable retailing tool. As early as 2001, Domino's Pizza took 4 per cent of its sales via the Internet. (Mintel, 2001b). A year later, it had 85,000 registered users on the web, and online sales were up 72 per cent from the previous year (Sunday Times Business Section, 2002). Within the public house sector, this could benefit customers with a limited time to take their meals, and should be considered by those appealing to the business lunch trade. However, there are costs involved in setting up such a system, and it does not necessarily mean that more customers will be attracted. The main purpose of the internet will be seen to be as a marketing tool, to make potential customers aware of the specific public house and its offerings.

Individual operators can use the web to show the viewer exactly what can be expected in the pub – its location, amenities, food menu, some pictures and other appropriate information. This allows the licensee to personalise the information so that it attracts certain sections of the potential customer base (Coupey, 2001) such as families or diners. The key to success is to ensure that potential customers view such internet offerings and find them sufficiently attractive to visit the outlet. In this respect, the model, or direction, could be of great assistance to the licensee. For public houses, the internet does appear to have the potential to provide a major impetus to the of their products, including food. However, the competition from fast food outlets is intense, and so any use of the internet must be correctly directed. Any site must attract customers. This is the reason that the initial use of models could help the design of internet usage. Unfortunately, as Kandampully (2006, p. 184) has noted, "most old business models still treat customers as the last link in the supply chain, and thus fail to recognise the vital role played by the customer in determining the strategic direction of the business".

## Models examined

Table I outlines the process of customer decision making in a "virtual" environment. It could be said that a similar process takes place in the "real" world but the sources of information and the speed at which it can be accessed is markedly different. The first column shows the stages, which are needed to achieve a sale. Thus, the website needs to be accessed; the information offered on the site should be suitable and its success must be evaluated. How to achieve this is indicated in the other columns.

As shown in Table I, any organisation intent on satisfying customer needs should first of all recognize those needs and then assess the level of satisfaction which has resulted from the attempt to address the needs. The needs of a pub customer relate to the services within the public house. However, this ignores the need for a specific type of social environment, which the customer would like to experience. In this situation it is very difficult to ascertain the value of advertising on related web sites. These can be measured as the number of visits made to a site, but that is all that such measurements can achieve. They give no indication of the number of customers gained from the visits, or their resulting spend. Fill (2009, pp. 779-780) has pointed out the

| Purchase decision making process and support system | | |
| --- | --- | --- |
| Steps in the decision making process | CDSS (consumer decision support system) support facilities | Generic internet and web support facilities |
| Need recognition | Agents and event notification | Banner advertising on web sites URL on physical material Discussions in newsgroups |
| Information search | Virtual catalogues Structured interaction and question/ answer sessions Links to (and guidance on) external sources | Web directories and classifiers Internal search on the web site External search engines Focused directories and information brokers |
| Evaluation, negotiation, selection | FAQs and other summaries Samples and trials Models that evaluate consumer behaviour Pointers to and information about existing customers | Discussions in newsgroups Cross-site comparisons Generic models |
| Purchase, payment and delivery | Ordering of product or service Arrangement of delivery | Electronic cash and virtual banking Logistics providers and package tracking |
| After purchase service and evaluation | Customer support via e-mail and newsgroups | Discussions in newsgroups |

**Table I.**

**Source:** O'Keefe and McEachern (1998), cited in Turban *et al.* (2004)

impact of an Irn Bru © campaign in 2006 where an adaptation of the famous Snowman animation (by Raymond Briggs) was used for promotional purposes. Fill is hugely impressed that there were more than one million views on YouTube. However, there is no indication that any of these were translated into sales.

Perhaps the most interesting aspect of the internet consumer decision making model, in terms of the hospitality/pub trade, may be the ways in which customers may evaluate the particular options available to them. Enticements may be offered in terms of samples and trials of food, speciality beverages or events, although this should not be confined to new customers only as this is likely to alienate existing customers. There is then a need to identify the new customers so as to be able to determine if the campaign was financially successful.

Cartellieri *et al.* (1997) provide an extremely useful framework for the objectives which must be satisfied by digital promotional activity:

- Delivering content: click through to a corporate site that provides more detailed information.
- Enabling transactions: a direct response that leads to a sale.
- Shaping attitudes: development of brand awareness such as product launches.
- Soliciting response: encouraging interaction with new visitors.
- Improving retention: reminding visitors and seekers of the organisation and developing reputation and loyalty.

## The costs involved

With the availability of software suites for web design at increasingly affordable prices, a simple presence on the internet is within the grasp of the majority of small businesses. All of the points above can be addressed at a cost of around £100. However, this would require the licensee to prepare a website, and more often than not, it will not change much. Constant updating takes time, expertise, and money. "Preparation of any web site is a complex affair and one demanding skill" (Aksu and Tarcan, 2002). Even if the licensee has the technical ability, the heavy workload within the industry may prevent regular updates, which are vital if the website is to remain an effective tool. In fact, many pub websites are outdated, and a contributor to the Mintel (2001b) survey admitted that, after a while, there was a tendency to ignore the site.

Moreover, the costs of employing a third party to establish and update a website may be beyond the means of many small outlets. In order to ascertain the commercial costs of establishing a site, the director of an internet site provider was interviewed. He maintained that anyone with sufficient expertise could establish a site very cheaply. However, to utilise a firm such as his, the costs would vary according to requirements, ranging from a simple page, at perhaps £200 to many thousands for a more complicated and appealing set of pages. Simple twice-weekly updates would cost at least £50. He believed the site creator should possess marketing as well as technical experience, so as to produce suitable pages. This could include visits to the pub, conversations with the licensee and perhaps customers and staff, all of which would add to the costs. There would be an additional charge of £150 a year to have a server. A site would be registered with each search engine using key words to allow those users to find the site. The search engines respond to requests for sites by visiting them and looking for common terms. Every site wants to be recognised as early as possible by any prospective viewer, and it is possible to pay more to ensure that your site is in the first few offered.

## Conclusions

Pratten and Scoffield (2007) questioned the use of the internet in pub marketing. They conducted a survey of largely computer-literate customers, and asked how they used the Internet in their social lives. If the customers had a regular outlet, they would use it and they would communicate its presence to others by social networking. The internet must attract customers, and this is difficult. If a pub has a website, then existing customers can use it for informational purposes, such as opening time or to display a food menu. New customers do not know the name of the pub, and, therefore, cannot use the name of the pub in a search. If the local town has a website which offers the social facilities of the area, then this allows individual outlets to present their wares far more effectively. The costs of updating a website can be high, and the results uncertain. This is not to say that the internet should be ignored by licensees, but that they should be clear about what they want, how to achieve their aims, and the likely cost-benefit analysis of their methods.

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