



A Restaurateur's Guide to Experiential Hospitality



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Just like the customer demand for experiential retail has taken the retail industry by storm, the hospitality sector is facing mounting pressure to provide immersive customer experiences in order to stay competitive. Experiential retail began as a trend not too long ago, but changed the retail industry dramatically, as it proved the theory that consumers are willing to spend more money on experiences than material possessions.

What is experiential retail?

Experiential retail generally refers to stores that go above and beyond the typical shopping experience to provide interaction, entertainment, and engagement to customers.

They can do this by including coffee shops and QSRs into their stores, leveraging technology to personalize the shopping experience for a more immersive one, or any number of innovative methods that add something extra to the typical shopper journey.

How does this relate to restaurants?

The restaurant industry has always been particularly innovative. The experiential model can be improved upon and adopted by the hospitality industry to elevate the customer experience and get ahead of the competition. Independent markets, as well as large scale corporations are leveraging the retail/restaurant consumer market for a variety of reasons. Continue reading to discover what they are.





✔ Experiences Sell

Providing unique and exciting experiences gives customers the opportunity to engage with your brand.

Take the steadfast trend of local coffee shop and book store or art gallery combinations, for example. Coffee shops in the hospitality sector often partner with retailers or branch out and work with local artisans to sell artwork, crafts, baked goods, and more. While coffee may be enough to get people in the door, experiences are what keep them engaged.

Some restaurants have begun hosting farmers markets or doubling as co-ops that sell local produce and products. This doesn't just give restaurant owners a way to connect and engage with customers and local merchants. It allows them to support their local communities and offer experiences that boost brand recognition and customer satisfaction.

✔ Customers Stay Longer and Return Often

Engaging in experiential hospitality by incorporating a retail aspect into your restaurant creates additional incentive for your customers to do business with you, and ultimately, increases your bottom line.

Incentive to visit

When you analyze customer data from your POS, you can garner more insight on their interests, and offer a secondary retail experience catered to them. By delivering on more than one customer demand, you can get more customers in your door.

Incentive to stay

Incorporating a retail aspect to your restaurant gives your customers something to occupy themselves with while they wait to be seated, and something to browse before they leave. Along the same lines, incorporating a café, juice bar, or fast casual restaurant aspect into your small retail business also gives customers a reason to stay longer, providing more time for them to browse your products and find items they want to purchase.

Incentive to return

Many experiential retail and hospitality models also host events where people can come together and connect with others. This forms a sense of community, and an attachment to the venue where their community gathers (more on this later).

✔ Innovation Leads to Engagement

According to the [Boston Consulting Group](#), “Brands that focus on engagement and personalization see their **revenue increase from 6% to 10%.**”

Appeal to the senses

In the same way that providing a community can encourage loyalty, incorporating personalized aspects that appeal to a customer’s physical senses can create an emotional connection that intensifies feelings of loyalty and desire to engage with your brand.

For a restaurateur, this is good news, as you already have three of the five senses covered—the visual aesthetic of your food, the enticing smell, and the delectable taste all combine to create a pleasurable sensory experience.



Incorporate retail

Build upon this by promoting different menu combinations that customers haven't tried yet, and selling customer favorites like your signature jams and baked goods that they can take home. Your brand will be top-of-mind whenever customers enjoy them later.

Case in point: Cracker Barrel

Cracker Barrel is an example of a large chain that has leveraged the concept of experiential retail/hospitality to great success. This chain is unlike most retail and restaurant visits in that it provides a consistent, seamless, and engaging experience.

Visit any Cracker Barrel in the world, and it will have a familiar feeling. The rustic atmosphere and shabby-chic vintage products they sell are almost identical at any location—even the table layouts are the same. All of this serves to spark feelings of nostalgia every time you step foot inside. This experience has been carefully curated so that customers associate the brand with a welcome respite and a simpler time before their lives got so busy.





✓ Communities Build Loyalty

Going back to that sense of community mentioned before, this is more important than you may think. Humans are social creatures.

We have a biological need for community and face-to-face social interaction that is not fulfilled by online engagement alone.

By hosting events in your establishment and providing this community, your customers begin to associate your business with positive emotions and a sense of loyalty, motivating them to return often. They will see your business as a resource to meet their needs, both physical in the food you offer, and social in the community you provide.

Experiential Trends

Experiential hospitality, as a concept, has only been trending for a short time, but the practice of it has been around for ages:

- Many small restaurants often host events like book signings, readings, and author talks. Creative people can come together to converse, form connections, and share ideas.
- Restaurants/bars/coffee shops/markets that host open mic nights or bring in local talent to perform—musicians, comedians, etc.

The more deeply you engage your community with this experiential retail method, the more connected your customers will feel to your business, and the more loyalty you will build.



✓ Technology Improves Experiences

Today, we've achieved unprecedented innovation with technology. Where before, you were limited in the tools at your disposal, there are now countless options for point of sale software you can implement to gain better control, stay competitive, and ultimately improve the customer experience. It's important to choose your software carefully.

If you want to cash in on experiential concepts, you need a solution that is flexible and versatile enough to handle the demands of both retail and restaurant environments. Many solutions on the market are either one or the other. Typically, you'll find that you need a solution for your retail operations and then a separate one for your restaurant operations. With this model, there is no comprehensive reporting tool that will grant you visibility into both sides of your business at the same time.

When choosing a solution, make sure that it handles both retail and restaurant sides of your *operations at the same time* and that it provides tools that give you valuable insight into, and control of, both sides of your business.

If you don't already have a dedicated software provider, finding a reputable one will be invaluable.

Look for a provider that understands both retail and restaurant environments, and has a proven success record working within these industries. Discuss your current challenges, as well as your goals with them so they can point you in the direction of a solution that works for you.

Surviving in Today's Market

If you want your business to thrive, you need to provide experiences that engage customers and form deep connections that create a sense of community around your brand. It's no longer enough just to offer the same experiences your competitors are offering. You need to think outside the traditional box of hospitality and delve into other industries, such as retail and entertainment, in order to capture the attention of today's consumers and position yourself as a leader in your industry.

NCC has experience providing retailers and restaurateurs with innovative, flexible technology that expands your business's current capabilities and allows you to extend your reach beyond what the traditional hospitality model allows. If you are interested in learning more about our Reflection POS, contact us today.



About NCC

Since 1986, NCC has been delivering comprehensive software solutions to businesses in the hospitality and retail industries. Our software engineers combine years of experience in software development with a strong understanding of restaurant and retail operations to create products designed to work in a wide variety of environments.

Through a world-wide network of reseller partners, NCC has installed over 50,000 POS systems in more than 35 countries. NCC products are installed in wide range of retail and hospitality concepts including Table Service, Quick Service, Fast Casual, Bars, Night Clubs, Delis, Frozen Yogurt, Delivery and Concessions.