



Who to target: Research suggests new residents are more likely to become regular customers than established residents.

New blood

Want to grab new customers before anyone else? Talk to your local real estate agent. By Sharon Aris

Regular customers are the lifeblood of restaurants. They come in for their good times, and just as importantly, still come out when times are tighter. With recent interest rate rises pinching the hip pocket, they're more important than ever. So how do you find more of them? Conventional wisdom has it that word of mouth is your best bet. But research from the US suggests there is a potential client base out there that word of mouth won't reach. Who are they? They're new residents to the area. In fact, research suggests they're five times more likely to become devoted regulars than established residents. So how do you attract these superstars?

Well, as they say, one of the biggest factors is also one of the oldest: position, position, position. Which is to say,

locate your business where there are likely to be more new residents and where new residents are likely to go.

Situated on busy Macleay Street in Potts Point, Sydney, the sleek and lively Zinc, a café-cum-restaurant, is known as a real local's local. But while it's been open five years, it's the past three that's seen business really grow: not only was a major upgrade on the strip completed in 2004, but a plethora of hotel-into-apartment conversions has driven a big increase in residents. Indeed, this area is now the most densely populated part of Australia.

With a combination of empty-nesters, young couples and wealthy singles to appeal to, restaurateur Nigel Nickless and his partner Peter Hurren set out from the start to appeal to locals. "We're not pretentious. We do the best

we can to present food that will please people, not confront." They set great stock in creating a homey atmosphere for their regulars, and he and Hurren spend a great deal of time on the floor doing so. "We always try and identify new customers, remembering simple things like how they like their coffee."

They're so successful that for some residents, Zinc's become the local canteen. "Some people come in a couple of times a day," says Nickless, adding they keep the local touch with little things like sending local take-out dinners wrapped up on plates that can simply be returned to the restaurant. It's certainly working, as they see their customers growing with them—the young couples who came in when they first bought morphing into daytime visitors with baby.

Things are also growing outside the city, and for a region on the go it's hard to go past boomtown Bunbury in WA. Bunbury is in the fortunate position of being the gateway to Margaret River, within the vicinity of nearby mines and a favourite residence of cashed-up fly-in-fly-out fortnightly mine workers. Outside the capitals, it's the fastest growing region in Australia.

And when in Bunbury, where do you go? The place generating a big buzz is Mojo's, a restaurant situated in prime position at the cinema complex in the centre of town. From the start, owner Noel Brunning and partner Juliana Frisina wanted Mojo's to stand out, and they took a risk rebuilding the place from the ground up with a design-driven look, complete with anodised doors and bold ▶

Restaurant & Catering Australia 17

Marketing

middle bar. Indeed, Brunning admits, they were ahead of the curve, and the place took its time to find its feet—and a clientele—when it first opened six years ago. But with 3,000 new residents annually in the greater Bunbury region, and housing prices up 36 per cent in the last 12 months (the figures roll off Brunning's tongue as befits the newsreader-cum-restaurateur he is), they're now reaping the rewards, as Mojo's attracts the urbane, professional new residents looking for something more than what's being offered by the traditional dried-flower-and-wooden-floor café brigade that's made up much of the town's dining in the past.

But not everyone is located in a high-growth area, nor does every restaurant have a

minds, including software developers, architects, teachers, journalists, engineers and businesspeople. Not coincidentally, these are also the people earning good money. They also have good social networks, and very much want to be out and about. In short, the ones you want regularly in your restaurant.

The question is, how? "The creative centres are not thriving for such traditional economic reasons as access to natural resources or transportation routes," writes Florida. "Nor are they thriving because their local governments have given away the store through tax breaks and other incentives to lure business. They are succeeding largely because creative people want to live there."

And what creatives are look-

ing for is buzz. "On many fronts, the creative class lifestyle comes down to a passionate quest for experience," writes Florida. "They like indigenous street-level culture—a teeming blend of cafés, sidewalk musicians, and small galleries and bistros, where it is hard to draw

TOP TIP

Restaurants offering take-away are in a particularly prime position to attract new residents who often don't have the time and energy to cook when they're still unpacking. But make the offer conditional on them coming to pick up—you want them to have a look at your establishment so they'll think of dining there later.

ing for is buzz. "On many fronts, the creative class lifestyle comes down to a passionate quest for experience," writes Florida. "They like indigenous street-level culture—a teeming blend of cafés, sidewalk musicians, and small galleries and bistros, where it is hard to draw

\$100 one and a \$100 voucher from you as well."

Lewers outlines a sell-strategy that slides from up-front profitable, to cost-neutral or finally subsidised. Ideally, he says, you want them to buy a voucher that covers 100 per cent of the meal's cost. But if they're unwilling to spend the full amount, why not charge the estate agent \$30 for a voucher worth \$100? That way your food costs are covered. If they still won't go for this, find a way to get them to offer giveaway discount meal vouchers that at least gets the new residents in the door. He also suggests you might want to tailor the package to whether they are renters or buyers: maybe a \$50 gift to renters and \$80 to owners.

Lewers also suggests these offers are best customised

the line between participant and observer."

Allan Simpson, owner of Manly beachside establishments Whitewater Restaurant and Blue Water Café, isn't familiar with the ideas of Richard Florida, but how he approaches his business is really a case study in chasing the new creative class. A restaurateur with extensive experience in South Africa before moving to Sydney 10 years ago, Simpson spent time finding an area for his business that had waterfront, a good mix of tourism and locals—and, most importantly, position. "The base of the business is locals first, but with extra feet passing the door." He adds this is particularly important in winter. "When the tourists go, you really want locals."

on the agent's letterhead, rather than the restaurant's. "Something saying 'this is our favourite pizza place' doesn't look bought," he says. "It's the restaurant saying to the real estate agent, 'you want to make them feel good, and we want them to feel good. Let's strike a deal!'"

But there are residents and there are residents—the other question is, how do you catch and hold the best of them? One economist with an interesting theory is Richard Florida. He believes, post-Industrial Revolution, it's creative people who drive the economy now, and if you want your city, industry or business to flourish, you need to attract them. Florida defines this 'creative class' as people who create things from the application of their

In Manly he found his mix, with renovated old buildings, two dining areas on the wharf and beach side, and a council willing to upgrade the footpaths to attract a diverse mix. "There's a lot of new restaurants in the area, which is great. It becomes a dining precinct. It brings the standard up so people come to the area."

Still, he says, his model is about providing a good and consistent dining experience. "It's based on the idea of value. If you have a croissant and coffee and spend \$8, if the waitress is friendly, people remember it's a good experience." Add to that a loyalty program where database members are sent special offers or invited to the launch of new wine and food, and you can hook. □