

The innovation game

Although there are always a few exceptions, in general the leisure and hospitality sectors tend not to be at the cutting edge of retail or business technology. Yet companies in this sector are involved in at least some interesting developments that either reflect or act as early indicators of technology trends in the retail and leisure sector as a whole, says David Adams

These developments are usually to be found in customer-facing applications, but developments in the back office can be just as important. This article highlights a few recent examples of how such innovations can boost a company's bottom line.

Food and drink

Today, a well-run bar or pub is where you're likely to see the most flexible and innovative touchscreen-based EPOS solutions. For example, the Smoke Bar Diner and Smoke Rooms bar diners in south London now use J2 520 touchscreen till units, supplied by J2 Retail Systems, and running specialist software from NFS Hospitality, to enable swift processing of food and drink orders. The units' small footprint means they can be used in a variety of locations inside the bars, while the system has been designed to be as user-friendly as possible, to maintain transaction speed in fast-moving environments staffed by part-time employees as well as full-time staff.

"(The system) increases revenue because we can serve people quicker, there are fewer mistakes," says Paul Rowland, founder and managing director of the Smoke Bar Diner

and Smoke Rooms. In addition to the fundamental benefit of helping the bar sell more food and drink, auditing and stock control capabilities are also invaluable. In future, the company plans to exploit more of the solution's potential capabilities, such as loyalty and membership card functions.

Mobile equipment also continues to make inroads in the restaurant sector. TGI Fridays, which operates 47 restaurants in the UK, has become one of the country's most prolific users of handheld devices for waiting staff. The B-pad, a handheld terminal supplied by Fujitsu Services, is chip and PIN-enabled and EMV accredited, so can be used both to communicate instantly with the bar or kitchen as the customer places an order at their table, and to take payment. It also helps staff up-sell additional items on the menu. Its use has increased both the efficiency of order and payment processes, and enhanced customer service through increased speed and accuracy. It also means fewer fixed tills are needed, so restaurant capacity can be increased.

At the movies

Mobile devices have also played an important role in an ambitious technology overhaul at

VUE Cinemas, where infrastructure improvements completed last year paved the way for a series of pilot technology projects in 2007. The complete replacement of hardware and software at more than 50 of its cinemas across the UK was implemented over six months in the summer and autumn of 2006, and based on a solution supplied by VCSTimeless, Vista, an integrated retail and hospitality solution designed specifically for cinemas. In addition to an overhaul of back office processes, the deal included installation of more than 700 new PoS terminals and 150 self-service kiosks for online booking and ticket collection, with the aim of improving the customer experience. The objective was to remove the requirement for customers having to join a series of queues to buy tickets, then food and drink. VUE staff are also using mobile EPOS units for queue busting when necessary. In the back office, the new solution incorporated additional analytical, reporting and cash management tools, and an automated film scheduling solution.

"It's been a pretty profound, integrated replacement of everything," says Roland Jones, IT director at VUE. "Hopefully, it's not just something that helps us run the cinema but something that makes the whole experience easier for customers. It's certainly achieving its business case: we can now add new things because of the infrastructure we've put in place." These include customers being able to pay for cinema tickets using points collected on Nectar cards, and the use of virtual cinema gift tokens.

VUE's cinema in West Thurrock, Essex, where the company has tested non-technology initiatives including an auditorium where customers can sit on beanbags or sofas instead of conventional cinema seats, is also now the site of a new technology pilot, called Usher Point, launched at the start of August. It's an



online/mobile phone solution that enables customers to receive a ticket bought online as a 2D barcode on their mobile phone instead of a physical ticket. The barcode is then scanned from the phone upon the customer's arrival at the cinema. VUE is also evaluating the possible implementation of new EPoS equipment that is not only chip and PIN ready, but can also enable contactless payment via the kind of Oyster Card-type solutions currently being trialled by Barclays and NatWest.

Holidays and hotels

Hotels and other companies in the holiday industry are also benefiting from new technologies, often in the back office. Haven Holidays has begun a four-month design phase for implementation of JDA Software's Tour Revenue Optimisation (TRO) solution, to deliver demand forecasts and automate pricing and revenue management. As the company expands through the acquisition and redevelopment

our turnover on the amount that we get per individual holiday."

"We went for this solution because we have 34 caravan parks, 14 to 20 different types of accommodation, so there are many thousands of pricing permutations. We have a very competent team of revenue managers that have been doing those calculations manually for some years, but the revenue management system can do this in minute detail, and it can do it while the revenue managers are asleep. So the product can supplement their work with very rich information."

The design phase should provide JDA with a detailed specification for Haven. The implementation phase may take up to 12 months, but at some point during that time the solution will start to be used for automated revenue forecasting, meaning the system is not only suggesting prices, but, within parameters set by the revenue managers, also setting them automatically. "We're looking to get the initial benefits

linked to a new desire in the sector to improve the use of membership and customer data.

"People are saying 'I want to generate more business, and I want to be a lot smarter in communicating with my prospective customers,'" he says. "Health clubs are starting to use that kind of thing, segmenting customers as a basis for marketing to new prospects; and hotels." Touchstone clients include the Montcalm Hotel in London, for which it helped recommend and implement an Infor FMS SunSystems Financial Management Solution. This enabled the hotel's financial team to drill down into detailed statistical reports in far greater detail than ever before.

The key change in technology that has made this feasible, according to Steve Humble, senior director, product marketing, at Epicor Software, has been the evolution and spread of XML and web services, which remove some of the drawbacks of



of holiday parks, there is a need to optimise revenues from new and regular customers.

"The typical image of a UK caravan park is usually of row upon row of static caravans in a high density," explains Neil Davies, head of commercial at Haven. "We're moving on from that to sell a lifestyle experience, investing in the siting of caravans to make it more pleasant for families, with more children's play areas and so on. We want a return on that investment, so we're looking to increase

from the system in 2008, and the major benefits from the solution will come in 2009 and beyond," says Davies.

Integration and intelligence

Undoubtedly the most important theme driving back office developments in the leisure sector is improved systems integration. Andes Loukianos, sales director at Touchstone Software, says the integration trend is detectable in hotels, restaurants, and health clubs, and it is

traditional ERP. "Before, you dumped the information, and then people went away to analyse it the following day," he says.

"With web services, you can have the data coming in, and through graphical workflow processes you can trigger things to happen. So you could receive inventory information and have the system automatically check for replenishment and have it automatically alert the department or email someone to take action," he concludes.