



# COME TOGETHER

**Competition in the hospitality industry is fierce and constantly fighting your own battles to be better than the guy next door can be exhausting. *Ellie van Baaren* looks at a better way of doing business, one that allows you to share the load.**

**C**o-opetition. Don't bother looking it up in the dictionary, you won't find it, but maybe you should be able to. It's a combination of co-operation and competition and it's a favourite term of business adviser and hospitality business owner James O'Connell.

"I was recently in Turkey and we went out to eat in this area with a waterfall in the middle and about 13 restaurants around the edges," O'Connell explains. "It was incredible, and you really got the sense that there was a real commitment from all the owners to create a destination of its own."

It's not a revolutionary idea. For a long time now having a curry on Brick Lane in London has been a must on every tourist's – and Kiwi on their OE – list. You don't have to know which curry house you're heading to, in fact it's even more fun to wander the street looking at the menus and choose whichever one suits your fancy on that particular night. The area survives on its collective reputation and as such, it's in the operators' interests to make sure everyone is working together on it.

■ ● It's a fact of life that the poor performance of one operator will have a negative impact on the whole area, not just that one establishment. ● ■

"It's a fact of life that the poor performance of one operator will have a negative impact on the whole area, not just that one establishment," O'Connell says. "For example, if someone comes in and you can't accommodate them, not recommending somewhere else in the area could mean they try another area altogether and don't come back."

Melbourne is a perfect example of hospitality businesses working together. The city is well known for its laneways filled with bars, restaurants and cafes in what are often tight spaces. Ask for suggestions on where to eat or drink and you're more likely to hear names such as Lygon Street, Hardware Lane and Block Place, rather than specific restaurants. In giving that recommendation, that person is certain they're pointing you in the direction of good food, good wine and great atmosphere, whichever particular establishment you end up choosing.

It's a numbers game. Not only is each establishment pulling its own loyal customers to the area, so is the reputation of the area in general. You don't have to be a mathematical genius to figure out that the more people in your general area, the better your chances of increasing your custom.

O'Connell cites the example of one of his clients who took space by the Palm Mall in Christchurch. The thousands of pairs of feet heading to the shops – and therefore past their bar – every day provided a ready-made opportunity. They were one of the first to move

in but more followed, giving the owners competition. “By the time he came to us he’d spent so much time figuring out how to be better than the places next door and it was a

■ ● **By the time he came to us, he’d spent so much time figuring out how to be better than the places next door and it was a waste of his energy.** ● ■

waste of his energy. We encouraged them to start talking to figure out a way to work together to increase business for all of them. They all chipped in to hire a band for Friday nights in the summer and it was



Brick Lane, London

CREDIT: CHARLIE ROUND/TURNER/PHOTOLIBRARY



Degraeves Street, Melbourne

CREDIT: PICTAXEUSE/FLOIPR.COM

■ ● **One of the questions we ask our clients is ‘how well do you know your neighbours?’ and many have never met them, even when they’ve been there for years.** ● ■

an instant success.” Each of the bars and restaurants had their own outdoor area, which meant from a communal space the band could play to all of them at once.

Each owner had paid a fraction of what they would have had to have shelled out if they wanted to hire decent entertainment and the whole area got a reputation of providing a good night out. It was a win-win-win situation.

Another example is Christchurch’s SOL Square, a recent development developers describe as “an eclectic mix of bars, cafés and restaurants” with “patrons spilling out onto the streets and laneways”. Their growing market share is proof of how effective the approach can be as other, more established, areas that have focused on hostile competition find their custom dropping off.

“It’s definitely a business thing, where they look to how to beat the person next door rather than how to work with them. One of the questions we ask our clients is ‘how well do you know your neighbours?’ and many have never met them, even when they’ve been there for years.”

But it’s also a cultural thing. Brick Lane and Melbourne’s laneways have a history behind them. Brick Lane was part of an area that was first stop for many immigrants, especially in later centuries those from Bangladesh. Melbourne’s early lanes sprang up as settlers subdivided the big blocks between the grand streets into more manageable units. Many of them were filled with workers’ cottages. The city’s council recognised the potential these quaint little streets had for tourism and started restoring them, putting in decent lighting and replacing some of the paving.

O’Connell points out that many of the typical foody areas in Melbourne are ethnically owned and it may also follow that they have brought an approach from their original roots.

CREDIT: FABRIZIO/PHOTOS



Degraeves Street, Melbourne

## SECRETS OF CO-OPETITION

### GET TO KNOW YOUR NEIGHBOURS

There's no way of knowing how you can work together if you don't even know their names. Just have a coffee or lunch and chat, you never know what sorts of ideas may flow.

### DON'T FORCE IT

There's no point forcing people to be part of something like this, it's much better that they come around to the idea themselves – especially when they see how well you're doing out of it.

### GET TOGETHER

Develop a group marketing plan and meet on a regular basis to discuss marketing and promotions. You'd be surprised at how many contacts each owner will bring to the table and what you can get done together.

### BRAND IT

Develop a brand for the area and invest in it. Nothing's going to happen on its own, and very little comes for free. Be prepared to contribute to the budget, bearing in mind that if you tried to do it on your own it would cost substantially more.

### BE ACCOUNTABLE

Part of joint promotions is that every outlet does their part. The group should be supporting each other and pulling anyone up if they're letting the side down. Any poor performance will impact on the entire area, not just one outlet.



SOL Square, Christchurch

CREDIT: CHRISTCHURCH AND CANTERBURY TOURISM

“It's a different way of thinking. All the owners are standing outside, talking to each other and often in reality half of the reason they're out there is not touting but catching up with the people they know who are walking down the street. They see it as one big family – and sometimes they are! – rather than people competing with each other.”

That's not to say New Zealand venues have no history to build on. SOL Square incorporates several buildings that have interesting stories to them and are local icons, while Elliott Stables in central Auckland sits in the T&G building which is listed in the city council's heritage building schedule. The traditional architecture gives the area its own charm and provides interest in itself, but it's not essential.

Size doesn't matter either; co-opetition is an attitude not a product. Whatever the size of the town or city, hospitality venues are often clustered together, usually because that's the area with the highest foot traffic. It makes sense then to work to increase overall foot traffic, than to scabble for the biggest share of what's already there. It's about generating more leads and then converting them. If thou-

■ ● It makes sense to work to increase overall foot traffic than to scabble for the biggest share of what's already there. ● ■

sands of people are passing your area, you only need to get a small percentage of them in order to be successful. What it takes, O'Connell says, is someone to take the first step.

“A lot of people are quite closed-minded about this, but when it comes down to it it's a great way to save money.” Operators are now looking at their budgets and where they can make savings. One of the first places they look at is their marketing spend, even though it's an area that's more important than ever. “People need to be smart about their marketing. I would estimate joint marketing could lower each operator's spend by about a quarter and yet you get a better quality because together you're spending more than each could separately.”

Although the campaign wouldn't be specifically promoting your business brand, it's building a much bigger brand that will appeal to more people and your business will benefit from audiences it may not



Torchon, Elliot Stables, Auckland

CREDIT: NEVILLE MARRINER/SUNDAY STARTIMES

have attracted on its own. “It's swings and roundabouts. On any given night some outlets will do better than others, but then other nights it will be different, and it all goes towards building the profile of the area itself.”

O'Connell points out this is the perfect time to start being smart about marketing because with the current economic climate, people will be doing less travelling and will therefore have slightly more to spend than usual because it's not being spent on holidays. Injecting life and atmosphere into an area that's then complemented by the quality of the establishments around it can only make it more attractive to those who are missing their overseas jaunts. It also helps

■ ● It's swings and roundabouts. On any given night some outlets will do better than others, but then some nights others will. ● ■

address the common complaint that New Zealand cities have no heart, no area where everyone congregates and there's always something going on.

It's a big wide market out there and promoting a single establishment can be very hard work. So it makes sense to share the load with others who are facing exactly the same problem. Sayings such as “two heads are better than one” have become clichés simply because they're true. You may find that that guy you've had in your sights for years now, is actually a nice bloke and has some great ideas. He might even have contacts that you've been trying to nab for ages. But you won't know until you try and find out. ● ■

 **BAKELS**

Gluten free  
**Health**

FREE OF GLUTEN - FULL OF TASTE

Available Now!



**BAKELS GLUTEN FREE HEALTH MULTI-SEED BREAD MIX**

AVAILABLE FROM GILMOURS, TOOPS AND TRENTS



 **BAKELS**

Tel: 0800 BAKELS

E-mail: [bakels@nzbakels.co.nz](mailto:bakels@nzbakels.co.nz)

Website: [www.nzbakels.co.nz](http://www.nzbakels.co.nz)