Business challenge

Potential guests at Deltic's bars and clubs use Facebook Messenger to ask what's on, when, the dress code and more. How could the clubs possibly reply to 350,000 messages every year?

Transformation

Deltic worked with IBM Business Partner Filament to use IBM® Watson® Assistant to answer questions and direct clubbers to purchase online at the point of peak interest, aiming to maximize conversion.

Tim Howard
Marketing Director
Deltic Group

Business benefits:

100%
reply rate for 350,000 digital enquires will maximize every opportunity to engage

10%
uplift in pre-booked sales predicted by delivering fast responses on social channels

5%
increase in group revenues anticipated, driving nationwide business growth

Deltic Group
Empowering clubbers to plan perfect nights with help from a virtual assistant for social media

The Deltic Group is the UK's largest operator of late night bars and clubs. Its brands include Bar & Beyond, ATIK, PRYZM, Fiction, Cameo, Kuda and Vinyl. Created in 2011, revenue reached £102 million in 2017. Deltic Group employs some 3,000 people in 55 venues throughout the UK, serving more than 8 million guests.

"IBM Watson gives us natural language understanding that moves conversations from casual enquiry towards purchase."

Tim Howard

Marketing Director

Deltic Group

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Making good nights great

Behind the glamour of nightclubs, owners compete hard for paying guests. Creating unique experiences—tailored to attract the local audience—is key. With so many options available to the 18-24 millennial demographic, operators such as Deltic Group, with 55 UK venues serving 8 million customers annually, are always looking for ways to drive footfall and increase share of wallet.

Deltic Group's potential guests were born on the web, and constantly use social channels to talk about what's on, where, what's cool—and what's not. Each of Deltic Group's clubs uses its own Facebook page to promote events, interact with guests and answer questions via Facebook Messenger. Typical Messenger questions include: "What's on tonight?", "When do the doors open?" and, "Is there a dress code?". The vast majority of these messages arrive in the late evening, when the club staff are too busy to respond, yet when people are deciding where to go for the evening. Answering these questions quickly can make the difference between attracting visitors and losing the opportunity to a competitor.

Deltic Group's marketing team realized that every message represented a potential sale, and even a small improvement in message response rates could increase club attendance. There was also the chance to convert enquires into bookings for private booths or parties, which are highly valuable as guests are more likely to attend if they have paid in advance, and tend to spend more on a big night out.

Tim Howard, Marketing Director at Deltic Group, explains, "On Facebook Messenger alone we receive around 350,000 messages each year, only 10 percent of which we could actually answer. We wanted to support our clubs by responding to these enquiries without becoming a faceless central call center, which would probably put people off. Our aim was to enable personalized interactions on social media at scale, enabling us to drive up club attendance and increase group revenues, while retaining the local touch."

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Tim Howard, Marketing Director, Deltic Group

Answering customer questions with AI

Tim Howard already knew about developments in virtual assistant technology, and recognized an opportunity to harness artificial intelligence (AI) to deliver the tailored customer experiences that Deltic Group was looking for.

The Deltic Group team contacted IBM Business Partner Filament, which specializes in AI and machine learning solutions. The objective was to reply to all Messenger enquiries, improving customer experience and creating opportunities to convert general enquiries into online bookings. Filament agreed that a virtual assistant was the natural solution, and selected IBM Watson Assistant to provide the core intelligence and natural language capabilities, with the ability to learn from every completed conversation.

In a three-month project, Filament scoped, designed, tested and deployed the assistant, approved by Facebook to connect to Messenger. The virtual assistant is hosted in the cloud, enabling Filament to scale up the resources as the number of conversations increases.

As the customer journey starts at each club's Facebook page, the virtual assistant always knows which of Deltic's 55 venues is being asked about, enabling it to share relevant information tailored to the customer's location. Once the virtual assistant has answered the customer's questions, it prompts with questions about bookings, parties and booths, and hands over the dialog to a telephone conversation or online booking site if the customer decides to purchase.

Phil Westcott, Co-Managing Director, Filament, comments, "IBM Watson empowers us to put emotional intelligence into virtual assistants. We leverage IBM Watson Natural Language Understanding to optimize and continuously improve the learning model for Deltic Group. As the virtual assistant grows in experience, we will improve its ability to engage with customers on a one-on-one level, and develop a unique tone of voice for each club."

"Filament delivered excellent advice and technical capability, helping us use IBM Watson to build a local voice for each club with the Messenger virtual assistant."

Tim Howard, Marketing Director, Deltic Group

Engaging with experience

Step by step, Filament is connecting the virtual assistant to each club's Facebook page. As this work is completed, the club's personalized virtual assistant will reply to every single Messenger conversation, dramatically improving the user experience.

In essence, the Deltic Group will capture 315,00 new guest interactions, any of which could become sales opportunities. Even a very small rise in conversion could significantly improve Deltic Group's revenue. For example, the average spend per person per night for a pay-on-the-door guest is £15; for pre-booked parties and private booths, the spend can rise to £200.

Engaging with customer interactions makes commercial sense, freeing up the local club managers to create exciting, unique experiences that stand out in the crowded late-night leisure market. By delivering fast responses on social channels Deltic Group is predicting up to a 10 percent uplift in pre-booked sales, which could translate into a 5 percent boost in group revenues.

With the Messenger virtual assistant running and gaining experience, Deltic Group plans to reach out to additional social media channels, seizing the moment and capitalizing on opportunities late into the night.

Tim Howard concludes, "Filament delivered excellent advice and technical capability, helping us use IBM Watson to build a local voice for each club with the Messenger virtual assistant. IBM Watson gives us natural language understanding that moves conversations from casual enquiry towards purchase, and in the process give us enormously better customer engagement."

Solution components

- IBM® Watson® Assistant
- IBM Watson Natural Language Understanding

Take the next step

To learn more about IBM Watson Assistant, please contact your IBM representative or IBM Business Partner, or visit the following website: ibm.com/watson/ai-assistant

Filament specializes in artificial intelligence and machine learning technologies, designed to help companies turn their expertise and intellectual property into reusable models. To learn more, visit: www.filament.ai

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