

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria

Wodonga — 23 October 2013

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Witness

Ms K. Bullock, co-owner, Hideout Cafe.

The CHAIR — Welcome, Kate, to the Rural and Regional Committee of the Parliament of Victoria's inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria. I hereby advise that all evidence taken at this hearing is protected by parliamentary privilege as provided under relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. Ms Bullock, for the benefit of Hansard could you give your name and business address?

Ms BULLOCK — Kate Bullock, from Hideout Cafe, Wodonga, and I am a co-owner.

The CHAIR — Would you like questions as we go or at the end of your presentation?

Ms BULLOCK — Yes, as we go.

The CHAIR — That will be fine. You might like to lead off and tell us a bit about your business and how you use the latest technologies to grow it.

Ms BULLOCK — We started Hideout Cafe about three years ago. We moved here from Melbourne. Prior to that we had been living all around the world for about 10 years. The reason we came here was because in just moving back to the country we were unable to get a mortgage. We had to start our business on our own savings, and it just turned out that it was cheaper to do it in the country and there was space available. That was really the main decider in our coming to a country town. I happen to originally come from a country town, therefore I was even more against coming back.

The CHAIR — Why?

Ms BULLOCK — I have learnt now to love it.

Mr TREZISE — Why did you choose Wodonga?

Ms BULLOCK — There was a big space available. In Melbourne we would ask to rent space, but they would say, 'We will take Boost Juice'. They would take anyone with a brand name over us, who were unproven given it was our first time in business. There was a big space available up here that someone alerted us to, and having come from this region previously I said, 'No, never'. But never say never, because here we are and there have really been benefits in coming here. I have wrapped my head around coming back and quite enjoy it now. We probably would not have survived in Melbourne as a cafe. I believe they are cannibalising each other down there.

In terms of technology, it is an interesting space that we are in. We are in a cafe which is dealing with a lot of social media. My background is in advertising and marketing, and I think the world over smaller businesses are still trying to work out how to monetise social media and whether or not it is of benefit to us. I have been working really hard on what you would call testing. Where I have found the benefits to be in Facebook, YouTube, Instagram and things like that are to do with our staff. Our staff are all younger. We are in the restaurant and hospitality industry and are dealing with casuals a lot. We have some apprentices and full-timers, but pretty much 26 is the oldest we have and the bulk of them are juniors, so 15 through to 19.

They are finding us very attractive. They are obviously aware of us and think that we are funky and cool and all the rest of it because of what we put out there in social media. It involves them as well. I will usually shoot a film with one of our staff or they will be taking photos of our latest milkshakes and being involved in our photo shoot. They are enjoying working with us and for us in a way that is just a bit different from being behind a counter.

Mr TREZISE — Does that mean your clientele is younger? Does that translate through to your clientele?

Ms BULLOCK — It is almost like we are running a two-tiered marketing campaign, because we capture everyone 24 to 35 on our Facebook site and then I have to replicate in-store marketing the old school way for our older market.

Mr TREZISE — The traditional way.

Ms BULLOCK — They actually make up a larger — maybe equal or slightly larger — portion of who is actually in store. We are running two tiers, and it is time consuming for me, with running paper coffee cards and then e-coffee cards and scanning the coffee cards, but we have to do them both. We are slowly trying to incentivise people to come over onto e-coffee cards and things, but it will take time.

The CHAIR — How does an e-coffee card work? I have never used one.

Ms BULLOCK — If you have a mobile phone that is an iPhone or any sort of smart phone, you will download our app — we have our own app. When you come to the counter you will scan a barcode and it will say, Bing!, you have bought a coffee today. Then when you get 10, it will say you have a free one. You are never having to fiddle around in your wallet for 100 different paper cards from different stores.

The CHAIR — Is it the same when I buy a cake or is it just for coffee?

Ms BULLOCK — That is such a common question. People want frequent points for every item they buy, so we have to put a stop to it somewhere.

Mr TREZISE — Kate, with sites like Facebook, YouTube and all the rest of them, have you definitely seen that you have two separate clienteles? You have the younger people who come in because, as you said before, you seem to be funky and you have that Facebook thing happening, and you also have the traditional oldies market as well.

Ms BULLOCK — Who are completely unaware.

Mr TREZISE — Yes. They just come in because it is a cafe.

Ms BULLOCK — So the younger people are seeing character. I think the character and personality of our cafe is coming through on social media, and they are applying to us for jobs. That is our greatest source of HR recruitment, which is perfect because we are looking for younger people.

The CHAIR — We always like to measure these things. Since you went out on Facebook, can you measure what worked, what did not work and what growth you have seen in your business since you have been doing that?

Ms BULLOCK — My background is not in IT, so I spend a lot of time trying to work this out myself and taking a stab at it, because I know it is really important to our marketing and advertising. In terms of numbers, without looking at my Facebook back-of-house data I could not tell you. But we had a massive Saturday, and we messed up a million times on this one Saturday and the chef went home sick. I just put it out there, 'Thank you to everyone who came in. Thank you to those who waited for too long. Thank you to those who could see we were busy. Sorry to everyone', because we had some complaints on the day, and it tripled any other post that I had put up. We got about 15 new likes on our page for it. Instead of maybe 400 people seeing it, 900 people saw it because it got so many people liking it and liking our cafe. To date it has been the best post I have done.

The CHAIR — Did that lead to a massive Tuesday, when everyone came in to buy a coffee?

Ms BULLOCK — No. There was no unusual spike in trade. I find it takes about two weeks for something to go out there for us to see a response. When we put out a voucher, it is usually about the second week after that voucher that they start coming in. I measure them; I can see them come in with serial numbers.

Mr TREZISE — Kate, you said you have not got an IT background but you have a sales background. When you started up the cafe, did you just stumble into the IT side of it or, as part of your strategy, were you aware that would be the track you would go down?

Ms BULLOCK — I look at everything from an efficiency point of view operationally. We need to be ordering online, so we will go with a supplier that offers online because it is so efficient for us. As a small business we cannot often leave the cafe. It is the same with any of our marketing things: if it is going to benefit me, then I need to look into that IT thing and what that app does and get on top of what it is and how to do it. For me the interesting part of that is that I am literally always on an online webinar or seminar keeping up to date with things. I webinar into places like America or the UK or Australia — anywhere. I am always on a webinar learning something new for our business. I often go to seminars in Melbourne, but webinars are really

efficient for me. Often I find that when a seminar will come to town or a speaker will come to this region I am two years ahead on that because I have been looking elsewhere for it.

Mr TREZISE — I presume you also look at other like businesses — other cafes and restaurants — in Melbourne and overseas to see what they are doing and how they are moving ahead.

Ms BULLOCK — I just eat and eat whenever I am in the city until I am full to test everything, but I also then click on their Facebooks or their online reviews and I keep up to date with what they are doing — their photos, their food. When we are looking at presenting food or doing functions I trawl the internet for ideas, presentation and recipes — everything. We are always online.

The CHAIR — I know it is hard to measure growth. You go to a webinar and then you implement something, and it is hard to measure the effect of it, but obviously you are able to measure how much your business has grown. What sort of growth rates has your business seen?

Ms BULLOCK — We have been open for three years. The first year we had a 30 per cent growth and the second year it is looking more like a 15 per cent growth. They are very, very big growths in our sector, but we are in the growth cycle; we are in our first three years. You probably do not know, but our cafe is not on the main street; we are actually in far west Wodonga, where the only other things on our street are residential houses. We have to go out and find our customers. The two-tier thing is that I am constantly going within our 5, 10-kilometre radius and doing basic direct marketing as well as the online stuff. The online stuff reaches further abroad, and advertising — not abroad, further.

Mr TREZISE — To some degree you are relying on the clientele, the customers, coming to you if you are not on the main drag here?

Ms BULLOCK — Anyone who comes to us, even for a coffee, we are very grateful for because they have to make a decision to get in their car and come to us. We have parking, we have a lot of indoor seating, and we get larger groups. And we get all of the travelling trade — the nurses, the doctors, the council workers — whoever is in their car driving will come to us.

The CHAIR — Obviously there is good access to parking there?

Ms BULLOCK — Yes, drive-up parking. We like to think they are coming for our gluten-free food and everything, but sometimes they are coming because they can find six chairs together and sit in a group and all pay individually.

Mr TREZISE — Are your competition in town, the other cafes and restaurants, doing exactly the same as you, or would you say you are leading the IT market?

Ms BULLOCK — I would like to think that we were definitely the first people to put in e-coffee cards in the whole of Albury-Wodonga. We were the first people to get out on YouTube and give that a go. Soon there will be — well, there already is — an app where you can pre-order your coffee before you leave your home and get it ready and pick it up. Operationally, just the way we are set, we have decided not to do that. But I think we are a leader in it, and I think it is because I step out of the business and spend time on things and my partner is in the business doing the operations. A lot of cafes do not have that advantage.

The CHAIR — When broadband comes to Wodonga and there is a better service, would you then look at having people ordering their coffee before they get there?

Ms BULLOCK — No, operationally in store we would fail to meet that because we are too busy in the store, so we do not want to do that particular app. But we are looking at early next year moving into food manufacturing, in a small way to start with: we have got three items. We will be distributing that around Victoria, and hopefully to Melbourne. For us, it will service us in building a whole ordering system and the interface for that.

The CHAIR — And marketing, I suppose, too?

Ms BULLOCK — Yes, absolutely. For us the thing we now need to do is work on a mobile website. That is probably our next —

The CHAIR — A mobile website?

Ms BULLOCK — Yes, optimise it for mobile phones rather than just for the internet. Our rostering is on an app. Because a lot of our staff are younger, they do not telephone — they have got no credit, or they are scared to pick up the phone and communicate. Even texting is old for them. They will Facebook us the messages — you know, ‘When am I working next?’. It drives me nuts, but I am the one who has to change. Our rostering is on an app that gets sent out to everyone when we press ‘send’, and we can send them little messages and they can send them through, using limited data on their mobile phones, and it is working. We are forced to keep up with technology often, I believe, because we are working with younger people. They keep us smart and sharp.

The CHAIR — Do you speak to your staff through Facebook rather than texting or phone messages?

Ms BULLOCK — That is how they speak to us, so we then have to return it in their manner. I tried for the first year to go, ‘That is not how business is run with me’, and I would leave voicemails. They do not have money to pick it up, so they do not — —

Mr TREZISE — Because you are not paying them enough?

The CHAIR — Spoken like a real union man!

Ms BULLOCK — It works on the app, and it is more efficient for us as well. And it is actually standing up and binding — like with Fair Work Australia, if they ever wanted to look at our rosters, that is an actual record.

Mr TREZISE — Good point.

Ms BULLOCK — And we have had an inquiry and been able to just present it.

The CHAIR — Your business is busy and growing, and you are going into food manufacturing next year. How many staff did you start off with, and how many will you have when you go into manufacturing next year?

Ms BULLOCK — We have got anywhere between 9 and 12 staff on the books, and we have about 5 in store always. We believe that when we first start in food manufacturing we can utilise those same staff and give some of the casuals more hours. We close Sunday, so we can utilise Sunday as well if we want to. When we grow we will figure that out as it comes. We have got space here in this city; we would not even be able to think about food manufacturing from our cafe kitchen if we were in Melbourne. We have just got a huge space.

The CHAIR — Do you have anything you would like to leave us with, Kate?

Ms BULLOCK — I think the challenge for us here, as I say — with me being the person who has to be the IT person and move with all this great media and applications that we are going to be afforded when this comes in — is having the knowledge to pick and choose, and keeping up to speed with it. I think it is great to have, but I would love to have the tools to keep up with it. I see that particularly cafes are some of the first industries to bring this stuff to the public, and it is almost like it is too soon or we have to wait — there is a lag while we wait for everybody to learn it and bring it on. Do you know what I am saying? There is a cost involved, in both my time and my money, in having it out there and testing it. That is just something that is inevitable. That is worth consideration for everyone, I think, every business that is looking forward to this. That is all. Thank you for giving me the opportunity to come in. It was quite exciting for my day.

The CHAIR — Thank you very much, Kate, for coming in and telling us how your business runs and how you target the 24s to 35s and then the rest of us.

Ms BULLOCK — I am included in the older set as well.

The CHAIR — In about a fortnight’s time you will receive a draft transcript from Hansard. You will be able to make corrections to obvious errors, but other than that it will be as it is. Once again, thank you very much and all the best with your business endeavours and the exciting phase next year when you go into manufacturing.

Ms BULLOCK — Thank you.

Witness withdrew.