



# VALUE FOR EXPERIENCE

Iain Jackson – Operations Director

# Running Order

## 1. Background and opportunity

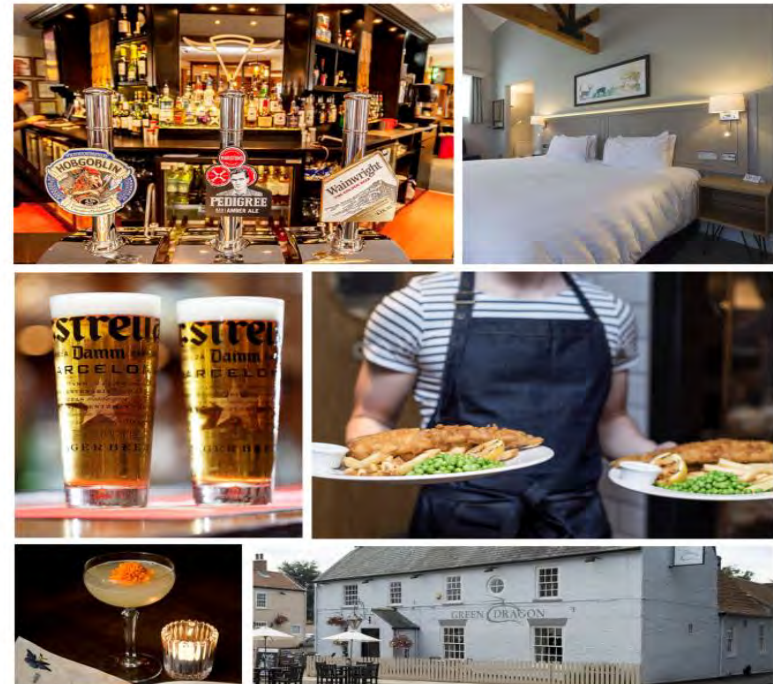
- Market Summary
- Competitors Response
- Consumer Trends

## 2. Our response – Delivering Experience

- Creating simplicity
- Generating sales from experience
- Enhancing experience through systems
- The Star Sidcup

## 3. Summary

## 4. Questions

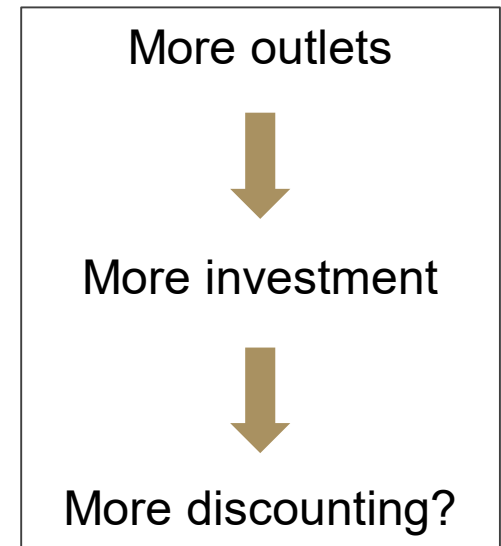


## Competitive Environment

1. There are 3,908 more restaurants than in 2013 – 1,483 of which are managed
2. There are 5,000 more food led venues and 6,000 fewer drink led venues
3. There are now 3,000 more restaurants than community pubs
4. New threats like Deliveroo, Just Eat and Hungry House test Operators responsiveness
5. Britain still continues to go out to eat...

## Competitors Response

1. Spending more capex on their uninvested estates.
2. Rebranded, extensive format changes.
3. Discounting deeper and on prime days.
4. Price influences customer behaviour.
5. Refinancing, restructuring, CVA's or selling up.



However customers inviting a better response than price alone



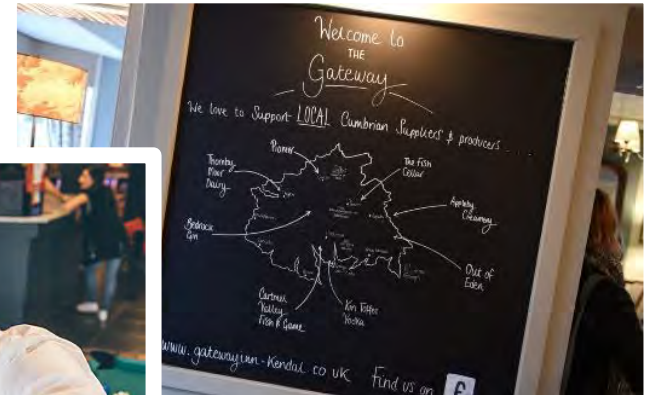
# Customers are moved by more than price



**Premiumisation**



**Experience**



**Authenticity**



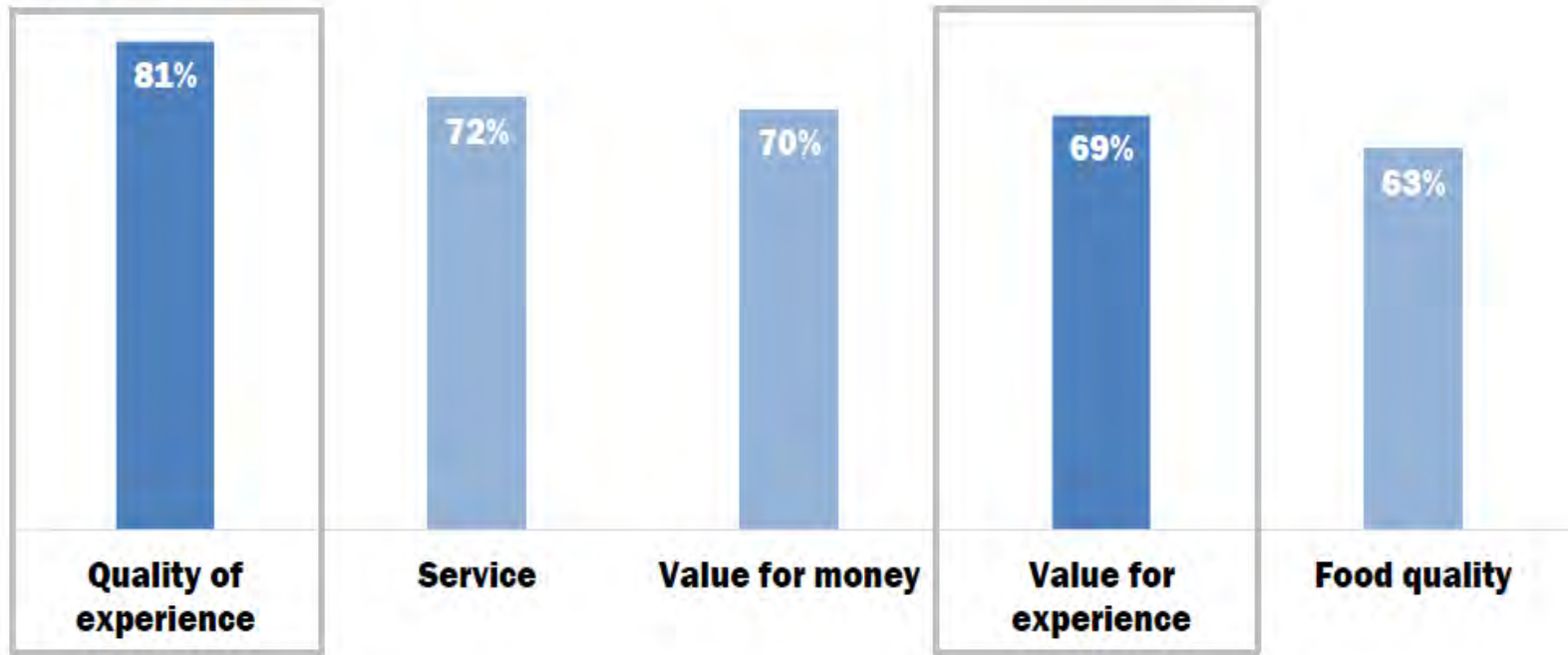
**Convenience**



**Health**

## And .... they want it delivered well

Which of the following do you see as key drivers for consumers when they choose where to eat and drink out in 2018? | Top 5 drivers



Source: CGA Business Leaders Survey 2018

Customers will pay more.....but it better be good



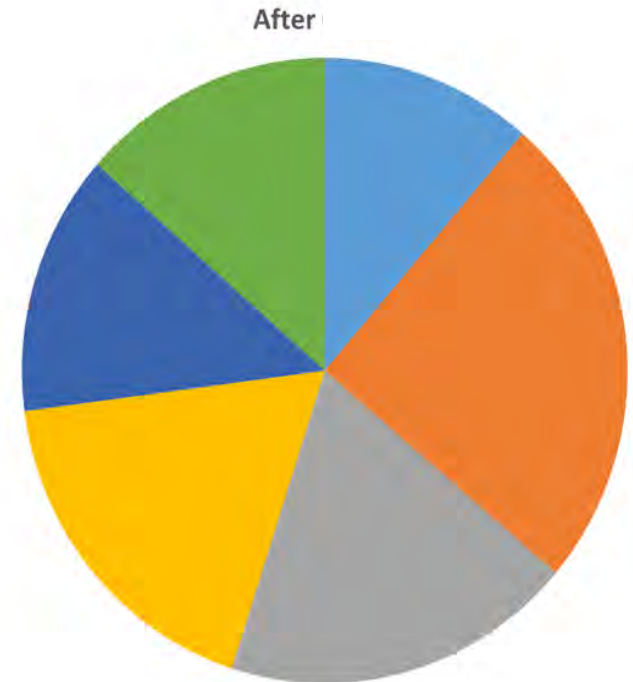
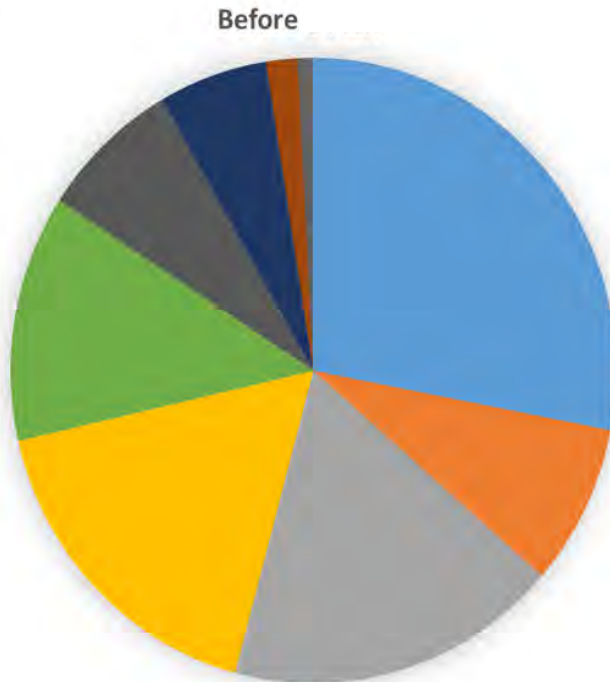


# Our Approach – Delivering ‘Experience’ to Customers



Everyday great value with added experience

## Setting ourselves up to best deliver



Simplicity – creating time to focus on customer innovation and experience



## The customer hook

### Experience Led Design

Prominent bars  
Occasion led zones  
Brewery provenance



### Uninvested Regeneration

Reallocation of capital  
Flexible service cycle  
Appealing viable offers



### Managing Atmosphere

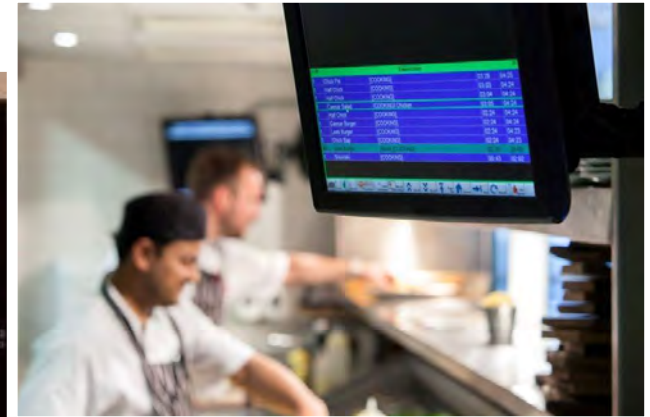
Mood lighting & music  
Post 8pm focus  
Events beyond food



## Experience enhancing systems

### EPOS

- Faster order taking and upsell
- Payment at table
- Efficient BOH processes
- Point of purchase marketing



### Customer Journey improvements

- Online booking and payment
- Enhanced Inns website
- Kitchen and drinks systems
- Consistency of dish delivery

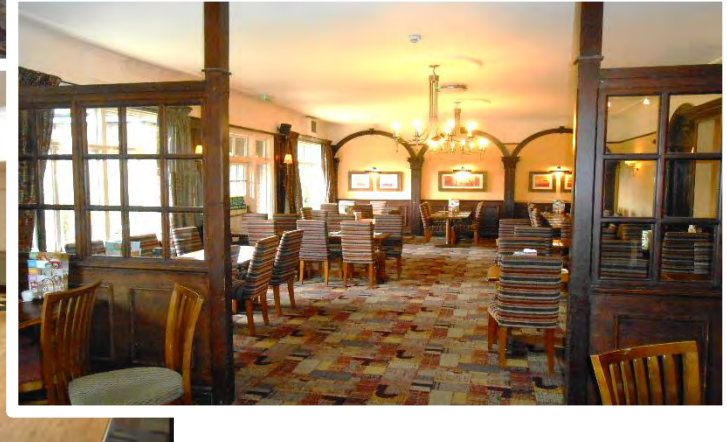


## The Star, Sidcup – Rotisserie direction



**Total spend:** £3.68m.  
**Refurb cost:** £611k.

**Target**  
**Turnover:** £28k p.w.  
**EBITDA:** £450k p.a.  
**ROC:** 12.2%



## The Star, Sidcup – Rotisserie

- Premiumisation:** Good-Better-Best ranging  
Spirits and cocktails upsell
- Experience:** Events, Activity and Theatre  
Picnic hampers, cocktail classes
- Authenticity:** Beer heritage, Food provenance  
Craft range, Red Tractor
- Convenience:** Slicker systems  
Apps, kitchen kit, payment
- Health:** Wellbeing and information  
Flexitarian, Calories, Salt, 5 a day.





## The Star, Sidcup – Rotisserie direction



Before 2  
After 4.5



Moving from 'value for money' to 'value for experience'



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## Summary

- Strategy focussed on addressing **customer trends**.
- Harnessing Marston's heritage and provenance as a **competitive advantage**.
- Driving Experience to **maximise margin**.
- Reducing complexity to drive **efficiency** and **innovation**.
- Utilising technology to **enhance consumer experience**.
- The **right platform** to reinvigorate new-build/room openings.



**QUESTIONS?**



