

Driving Footfall

Revitalising customer growth and retail innovation in the licensed trade

Publican Conference – May 22nd 2008

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Intro

It's all about attracting in new customers and making them come back again



Three ways to attract new customers

01 Counter the negative publicity

01 Counter the negative publicity

Relentless negative publicity about the on trade

Page 12 Daily Mail, Thursday, January 13, 2005 Page 13

BINGE BRITAIN

Yesterday Mr Blair defended 24-hour drinking by saying that those who go to the theatre and want a nightcap should not be 'inconvenienced'. Look at these pictures and ask yourselves what planet he's on

Arguing all the way to the cells: One of those who have made once genteel Brighton hell at night

Another black Friday in Cardiff. This man is almost comatose with alcohol in St Mary Street

In Newcastle on a booze-soaked Friday night, these girls dressed as nurses can hardly walk

Attacked and stamped on by drunks on a typical Friday night out in Newcastle

01 Counter the negative publicity

Media myths and the facts/1



You always could drink 24 hours a day – at home

Average extended hours = 21 minutes

Only 470 pubs and bars have got 24 hour licences



	% of men drinking 21+ units pw	% of women drinking 14+ units pw
2000	29%	17%
2006	23%	12%

Source: National Statistics Office

Media myths and the facts/2

MP calls for smaller wine glasses

Pubs, bars and restaurants should be forced to start selling smaller glasses of wine again, an MP says.

Liberal Democrat Greg Mulholland is to propose a bill in the House of Commons calling for the reinstatement of traditional 125ml measures.



"Small" wine measures are getting bigger in many pubs

Super-sizing
is a myth

Only 24% of pubs offer 250ml glass, 30% still use 125ml glass

DAILY EXPRESS
THE WORLD'S GREATEST NEWSPAPER

'CRIME SOARS AMID 24-HOUR DRINKING'



Friday February 22, 2008

Have your say(3)

Police officers are facing thousands more alcohol-related crimes a month than they did before 24-hour licensing laws were introduced, it was reported.

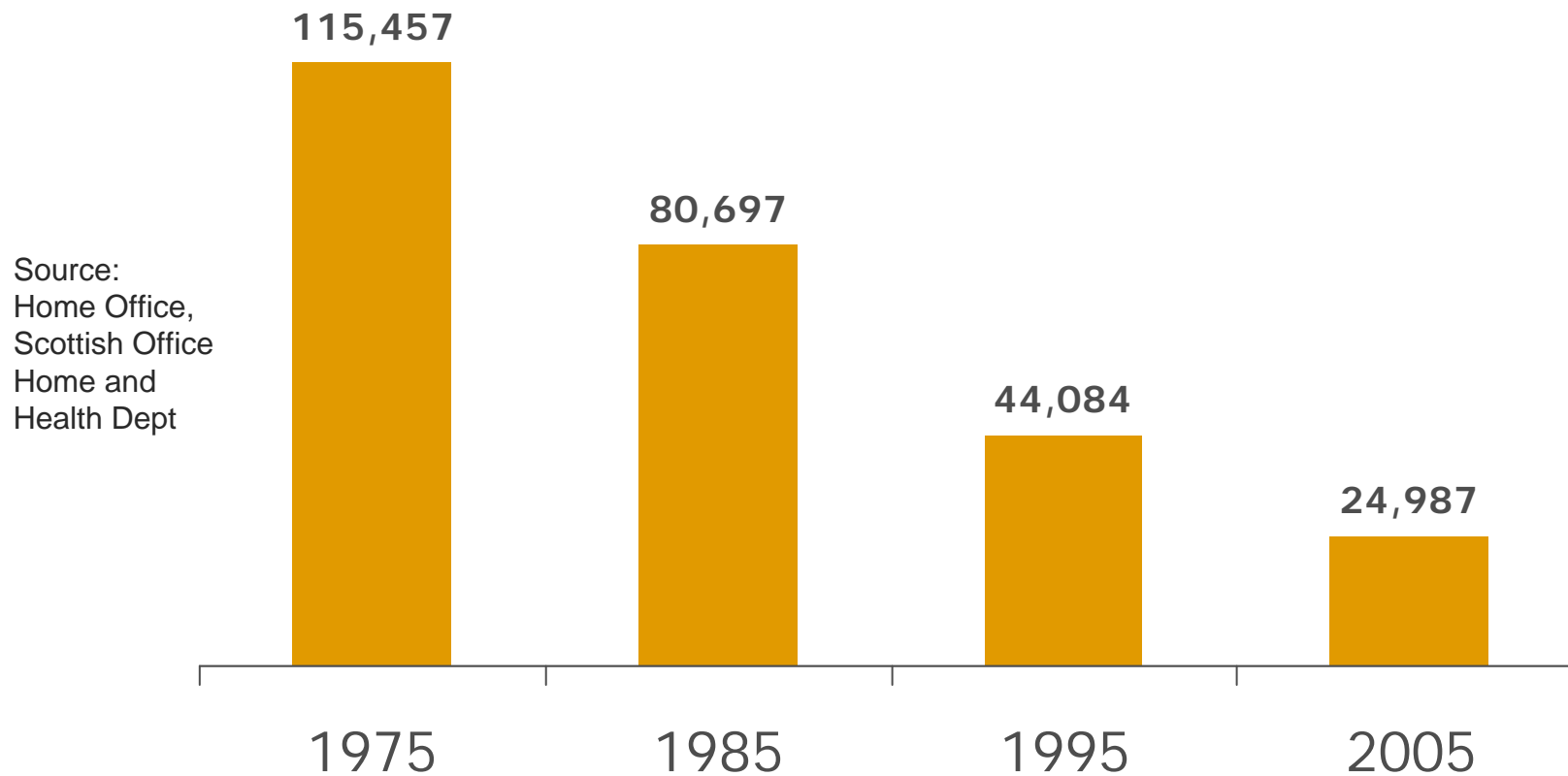
DCMS Evaluation – March 2008

Reaction of 27 police forces about crime and disorder since introduction of Licensing Act

- 13 – improved
- 13 – mixed/neutral
- 1 – worse

More drunken behaviour? The Government's own figures suggest not

Number of drunkenness offenders in the UK
(1975-2005)



Source:
Home Office,
Scottish Office
Home and
Health Dept

Don't believe that price and trouble are linked/1



Social clubs, local pubs

Early evening

Midweek

Mixed age profile

= CHEAPER PRICES

= LESS TROUBLE?



Night clubs, young venues

Late evening

Weekend

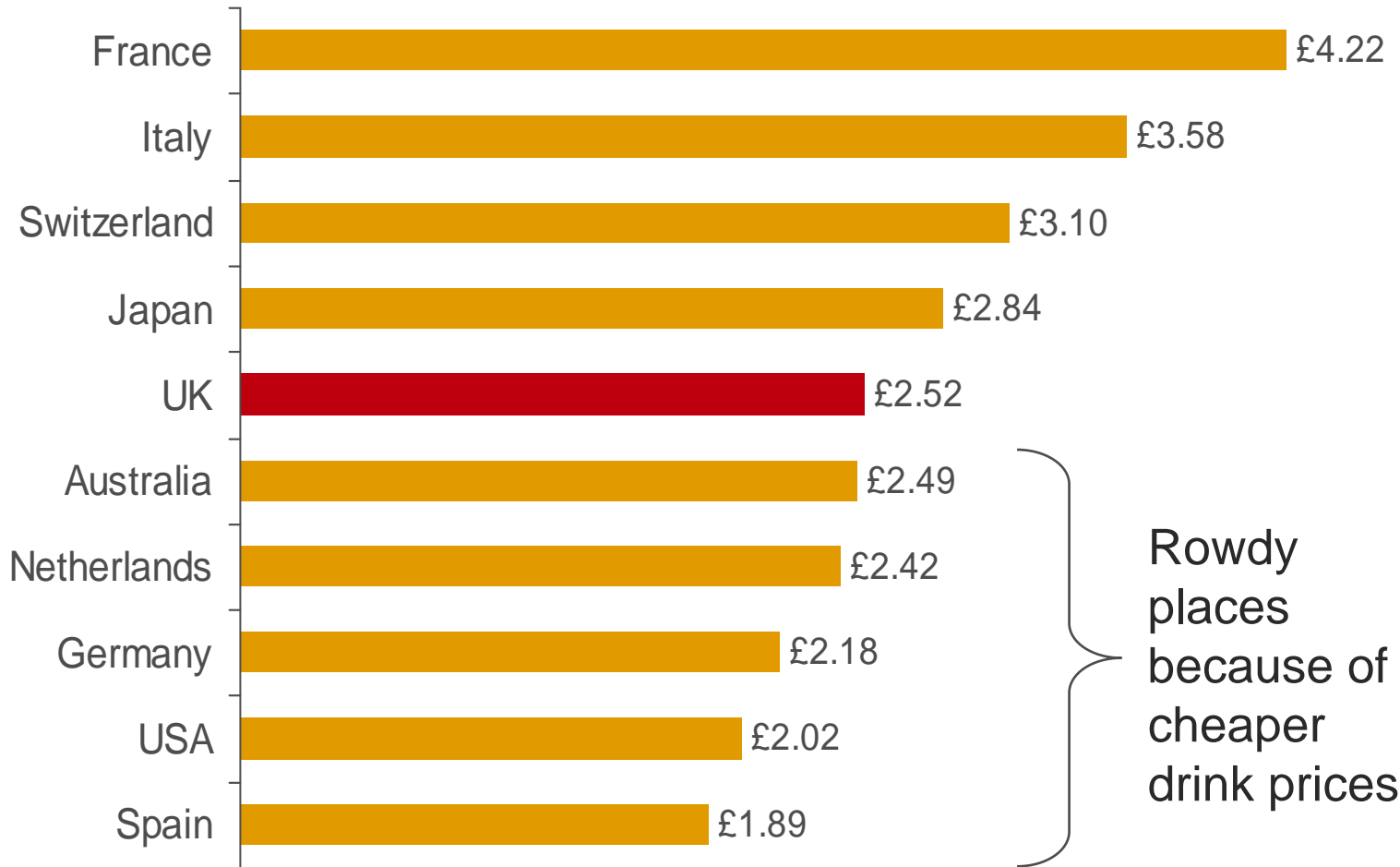
Younger age profile

= HIGHER PRICES

= MORE TROUBLE?

Don't believe that price and trouble are linked/2

Average price of a pint of lager in the on trade



Source:
www.pintprice.com

Rowdy
places
because of
cheaper
drink prices?

Three ways to attract new customers

01 Counter the negative publicity

02 Know how consumers “read” pubs from outside

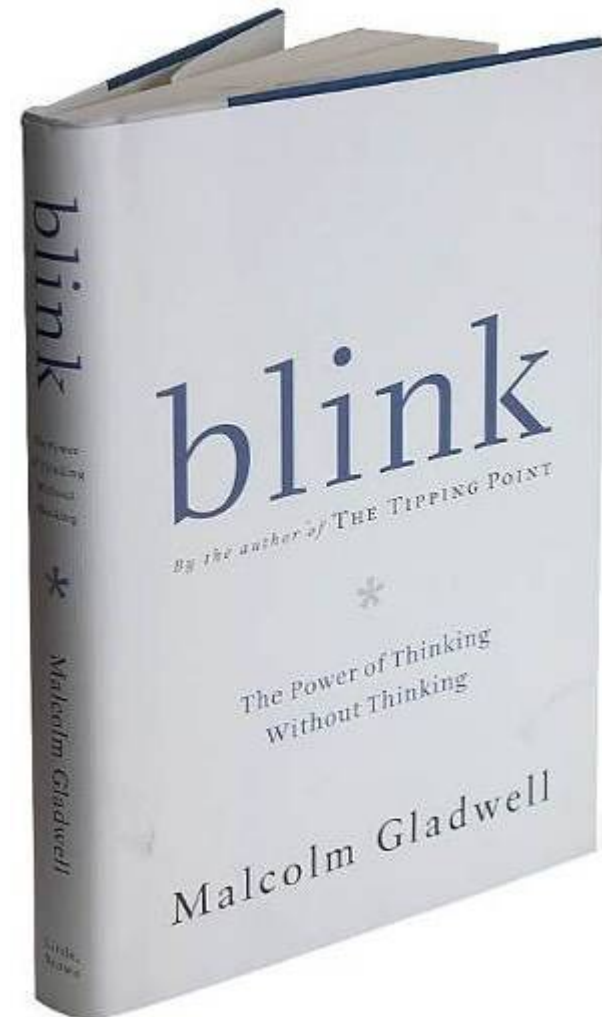
2. Know how consumers “read” pubs from outside

What pubs look like from the outside is important to:

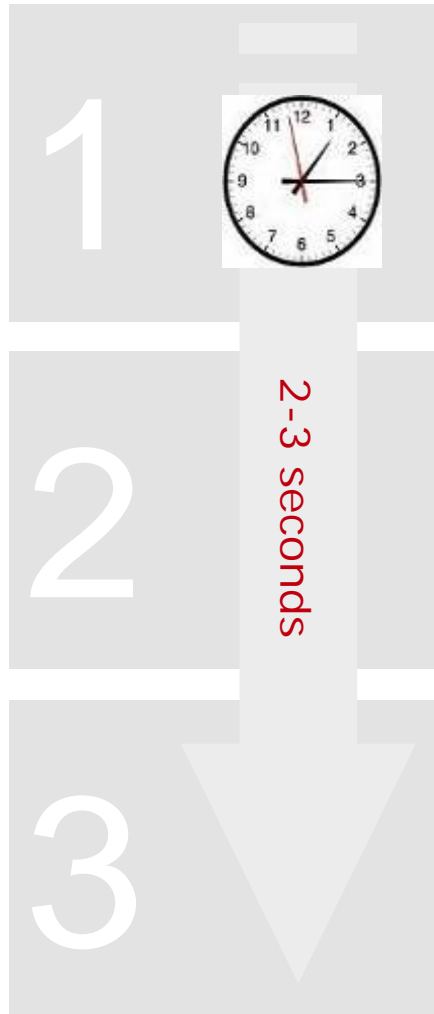
- passing trade
- potential local customers
- current customers

Consumers make instant judgements about pubs – they “thin slice” all the signals to form impressions

Consumers read the signals not the signs



Consumers “thin slice” all the signs and signals on a pubs external to reach an impression



Architecture and setting tell you about outlet type

- Take the family
- Big Night Out
- Locals pub *etc...*

Condition tells you if the pub is any good

- Condition of the building, the garden, the car park, the signs, the hanging baskets *etc...*
- How well looked after outside = quality of service inside

Signals refine expectations

- How many signs, how they integrate with architecture, how written, materials, colours, filigree *etc...*
- Includes fixed signs, blackboards, banner, stickers

02 Know how consumers “read” pubs from outside

Example of how consumers “thin slice” the signals



Step 1: Architecture and setting: Both local pubs

Step 2: Condition: Both okay but A looks slightly more “tired” than B

Step 3: Signals:

A has banners, satellite dish, “brewery” signage, pub tables = mainstream blue collar local expectations

B lacks signage but what there is integrates with building = more premium pub, more diners as well as drinkers

02 Know how consumers “read” pubs from outside

Condition is *the* key factor...too many pubs look uninviting from outside



02 Know how consumers “read” pubs from outside

How the number of signs tells consumers about the pub



Basic = few signs

Consumer assumptions:

Pool, darts etc

Standard drinks portfolio

Basic food (if any)

Male clientele



Mid-market = more signs

Consumer assumptions:

Mixed consumer profile

Drinkers and diners

More developed food offer (incl. children's)



Premium = no signs

Consumer assumptions:

More special

More premium brands

Home cooked food

More expensive

Blackboards can set expectations about the food



Consumer assumption

- Basic, micro-waved food

Because

- Coloured chalks
- Perma pens
- Hyperbole

Pub expectation

- Wipe clean menus, formulaic decor

Consumer assumption

- Home cooked food

Because

- White chalk
- Hand written
- Descriptive

Pub expectation

- Changing menu, individual decor

How consumers read pubs from the outside

So what?

1

Think hard about external retail standards

- It affects what consumers think about your pub
- It arguably drives perceptions of the industry as a whole

2

External appearance should be consistent with the pub offer

- Don't undersell a premium offer or oversell a basic one
- Don't send mixed signals

3

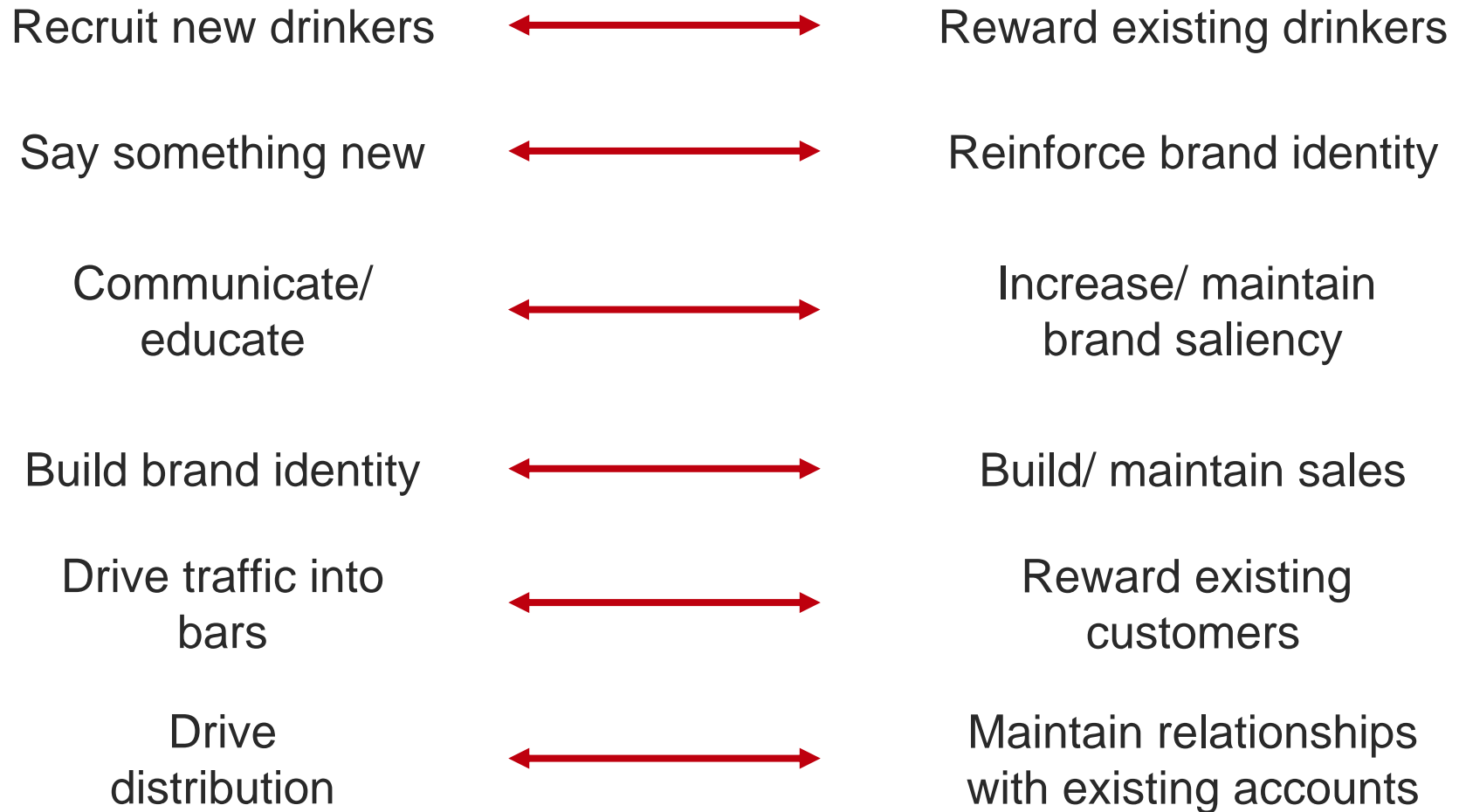
Remember that consumers read signals not signs

- Publicans and Pub Co's need a Signals strategy
- Think about what your pub looks like from 50 yards away

Three ways to attract new customers

- 01 Counter the negative publicity
- 02 Know how consumers “read” pubs from outside
- 03 Traffic building consumer promotions and brand support

Consumer facing promotions in the on trade can be fertile ground for brand owners



But brand owner interests and retailer interests are not aligned in too many cases

Brand owner interests	Retailer interests
<ul style="list-style-type: none">■ Brand sales■ Brand reputation■ Effect on other company brands?■ Above the line schedules■ How well brand is displayed?■ Staff doing it properly?■ One size fits all■ Consistency of execution■ Retailer as conduit	<ul style="list-style-type: none">■ Margin benefits■ Does it drive traffic?■ Does it keep customers happy?■ Impact on speed of service?■ Who tidies up afterwards?■ Does the brand fit with my outlet?■ Next week■ Is the promo tailored to my bar?■ What do I get from this?

Retailers want traffic building promotions

eg. Bacardi Lime Sampling

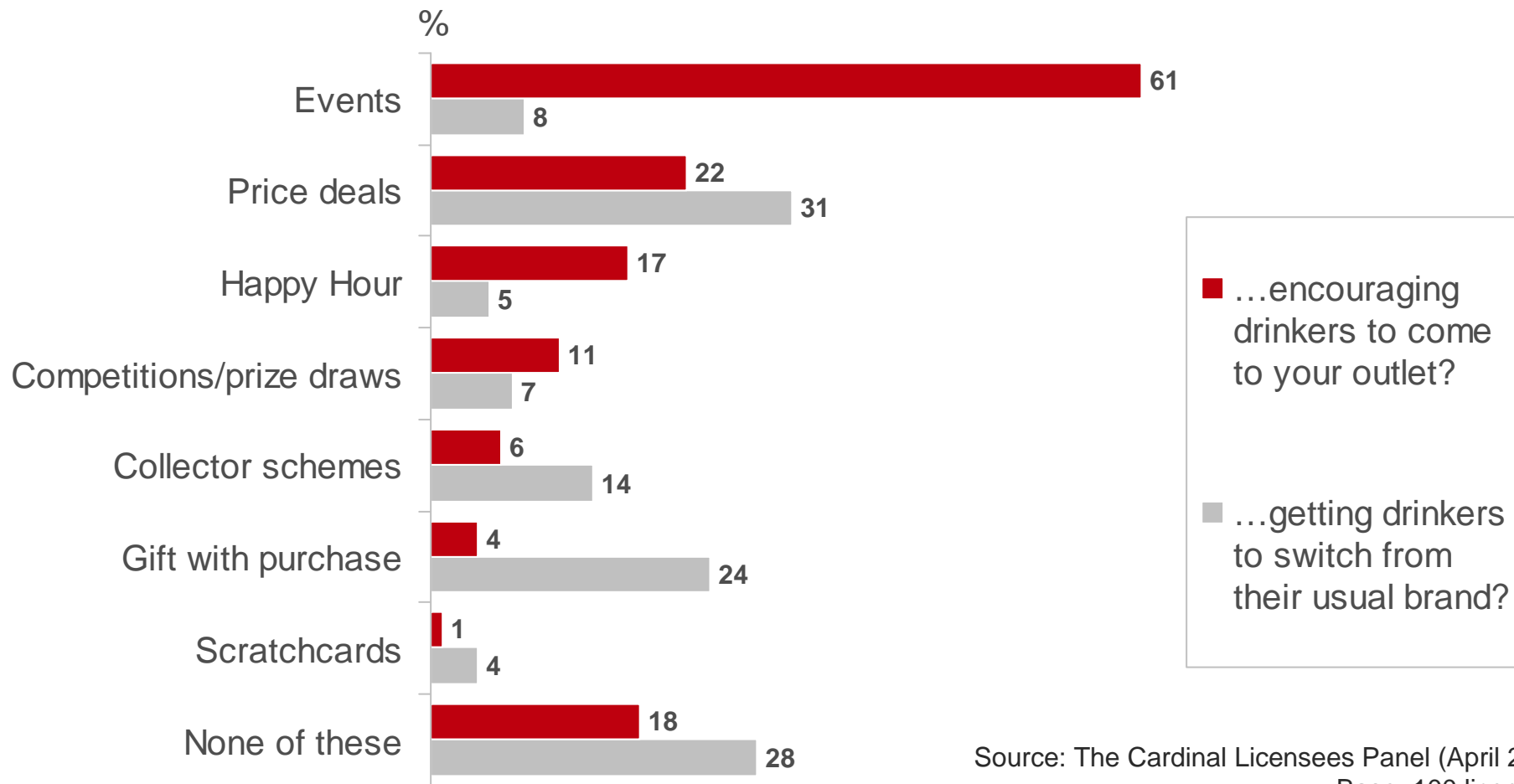


eg. Budweiser DayFresh



Licensees recognise that traffic building and brand building require different mechanics

Q. Which of the following types of consumer promotions are best for achieving the following....



Source: The Cardinal Licensees Panel (April 2008)
Base: 100 licensees



03 Brand owners and retailers in partnership to maximise consumer promotions

Example of event style activity that can be popular with licensees

e.g.
“Foster’s Australia Day”



Making on trade consumer promotions more effective by aligning brand owner and retailer interests

1

Brand promotions have lots of potential for attracting new customers to pub

- But only if they are designed as such

2

Too many promotions don't think about retailer interests

- So implementation and effectiveness is often disappointing for brand owners and retailers

3

If brand owners and retailers work together it's potentially a win:win situation for both

Three ways to attract new customers

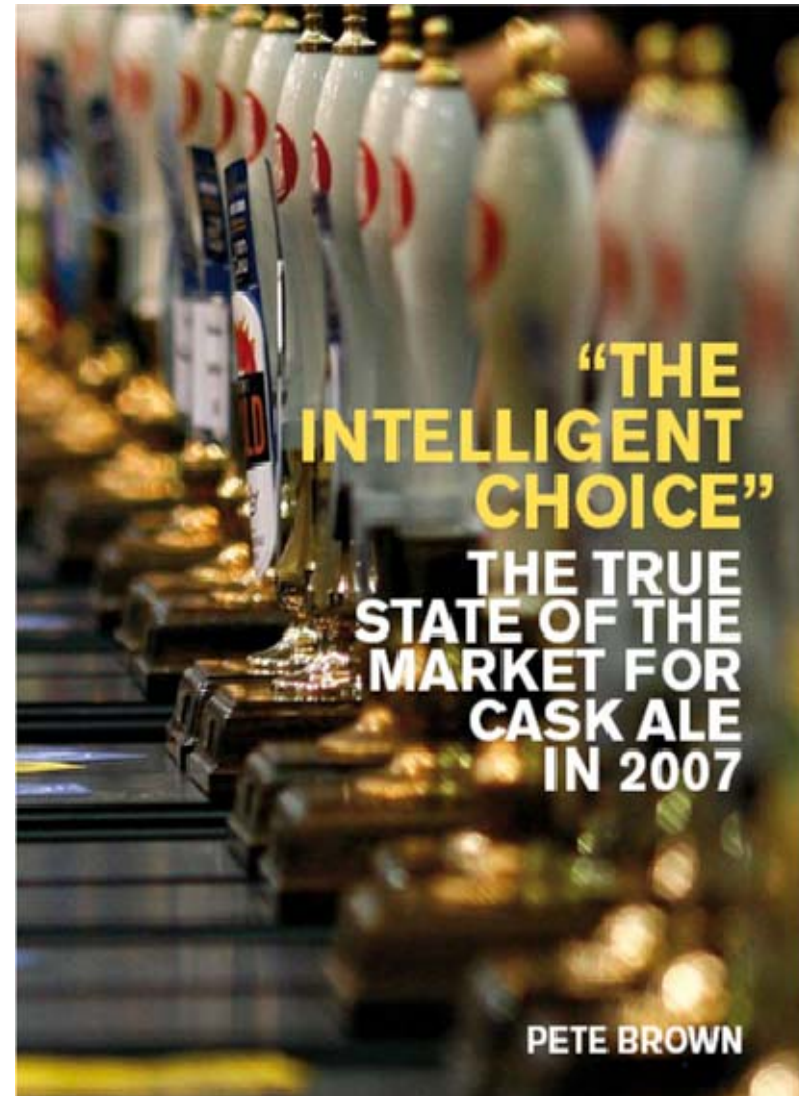
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Three ways to keep customers coming back

01 Cask ale

You can't get cask ale in supermarkets

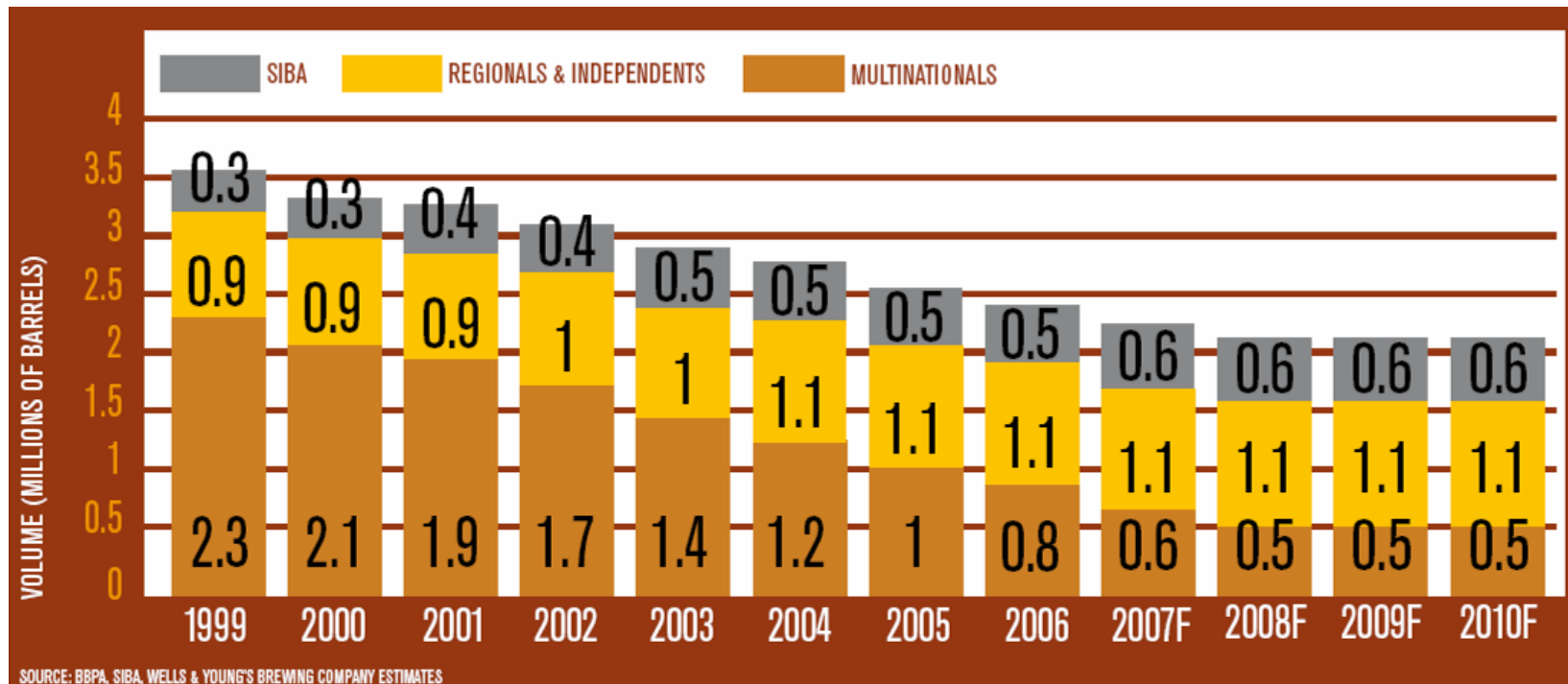
Sept 2007 report highlighted the potential for cask ale



Category decline has probably bottomed out

Cask ale volume sales history and forecast 1999-2010

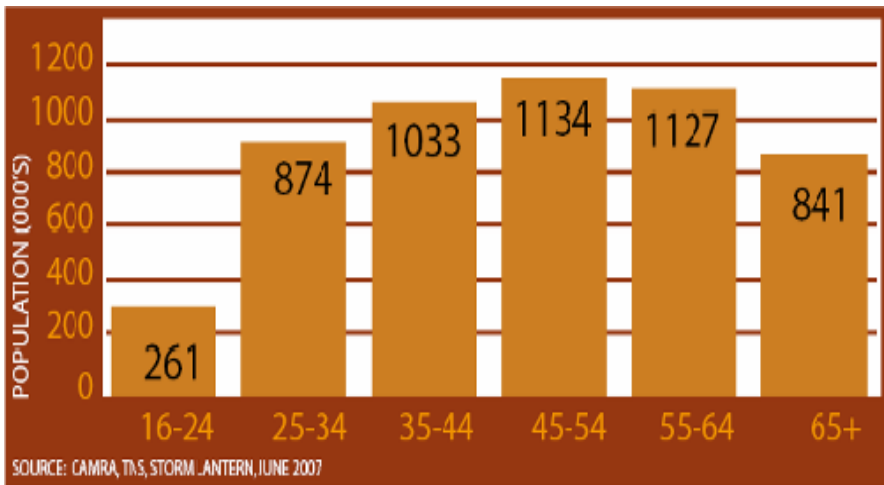
National brewers vs. Regionals & Independents vs. SIBA



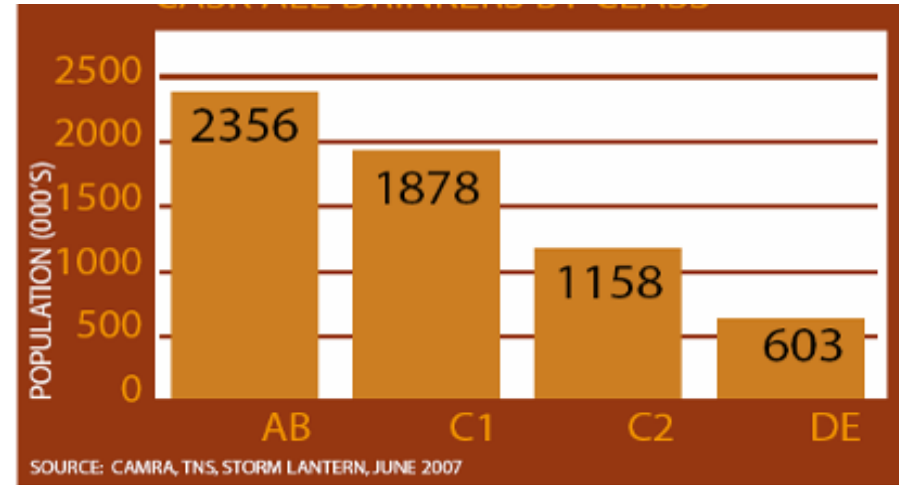
Cask ale drinkers are older and more upmarket

Cask ale volume drinker profile

Age group



By social class



01 Cask ale

Cask ale fits with the growing interest in local provenance and carbon footprints

Cask ale fits with the trend towards regional/local produce

- Local provenance
- Supports local economy
- Ingredients have travelled c600 miles cf. 24,000 for import lager*
- Returnable packaging

* Ethical Consumer (2002)



Cask ale sends positive signals about the pub as a whole

Cask ale sends a positive signal to consumers about the whole pub

- Quality
- Professionalism
- Retail standards
- Food quality



Three ways to keep customers coming back

01 Cask ale

02 Serve innovation

02 Serve innovation

Lots of examples of serve innovation driving category performance and consumer interest in the on trade



Cider over ice



Corona



Smooth beers



Grolsch swing top



Extra Cold



Draught wine in JDW

Branded glassware works for consumers, retailers and brand owners

Branded glassware can enhance consumer perceptions of the drink and the pub and ultimately the whole experience

81% of licensees agreed that:
*“My customers like branded glassware” ***

64% of licensees agreed that:
*“Branded glassware improves the quality of the pint” ***

** Cardinal Panel, April 2008, 100 licensees



Future serve innovation ideas/1



Cask ale - St Edmunds

Variable dispense gives consumers the option of a pint with a Northern or Southern style head



Soft drinks

“Beer style” font to improve serve perception of post mix and make soft drinks seem less apologetic

Future serve innovation ideas/2



Beer giraffe

- Three litres of beer served into a tall container, inserted into a tap unit and placed on table for consumer self serve
- Very contagious



Ultraflow

- “Queue busting” technology means multiple pints served in less than five seconds
- 30,000 pints in 15 minutes at the Emirates stadium

Three ways to keep customers coming back

- 01 Cask ale
- 02 Serve innovation
- 03 Use premium outlets for free NPD ideas

Retail development tends to be cyclical and brand/sector performance can reflect this

Decade	1970's	1980's	1990's	2000's
Retail	<ul style="list-style-type: none"> ■ Fun pubs, theme bars, wine bars 	<ul style="list-style-type: none"> ■ Back to traditional/ pub values <ul style="list-style-type: none"> ■ T&J Bernard ■ Chef & Brewer ■ JDW 	<ul style="list-style-type: none"> ■ Rise of branded bars <ul style="list-style-type: none"> ■ Yates's ■ All Bar One ■ Walkabout 	<ul style="list-style-type: none"> ■ Return to pub values <ul style="list-style-type: none"> ■ "Gastro" pubs, ■ Contemporary pubs
Brands and sectors	<ul style="list-style-type: none"> ■ Keg beer ■ Babycham ■ Standard draught lager 	<ul style="list-style-type: none"> ■ Cask ale ■ Guinness ■ Premium draught lager 	<ul style="list-style-type: none"> ■ Bottled lager ■ Alcopops ■ Caffreys ■ Vodka 	<ul style="list-style-type: none"> ■ Wine ■ Import Lagers ■ Coffee ■ Gin

03 Use premium outlets for free NPD ideas

The “reborn pub” being recognized in the media - Arena Magazine: April 2005



The new British Pub Renaissance

Swamped by Identikit style bars on every high street corner, it's become increasingly hard to find a place to drink with a hint of originality. But they do exist, and to prove it Arena scanned the country for our premium boozers. And not a fuckwit in a trucker cap in sight

Words by Tony Naylor Photography by James Harris

Pint?

It's all in the furnishings
How to turn your decrepit local into Arena's dream boozers

Warhol-esque print of Andy 'The Vikings' Simpson

Dave's 1960s Fordson (recently seen covered in odd socks after being it during a particularly sweaty match against PTV Tavern) remained in the classic Warhol (p) art style. No actual artwork, obviously. Indeed...

Crossbow and target
High-velocity modern-day take on the traditional dartboard. Perhaps worrying, crossbow aren't actually illegal, although we'd recommend asking for the hand-held 'pistol' variety. (A full-power crossbow can pierce a car door at 100 metres which might just be the pariah among the pigeons in the 'brag'.)

Monkey-hand ashtrays
A fine bit of wit on the face of it, but it anyone's sensitive, just that that it's a hard falling comment on Britain's animal rights. And then they give Chris Clark's signature on the bottom.

Oil painting of dogs playing with iPod
An updated version of the ubiquitous Dogs Playing Poker design. Should include one shy terrier pissing a really wanky Duffing Aye iPod over to the bloast if you're underneath the table...

Stuffed panda head
A creative, out-there gift of the of the stag's head. No more than Chinese banks who reckon they've got a couple in the shed that are breeding. Do you like (they've done) from the local already.

Last orders bell replaced by loop of The Others album
Derivative, jowst... ..
The better way of clearing the bar at closing time. High risk of patrons being awake to death in stargaze for the day, though.

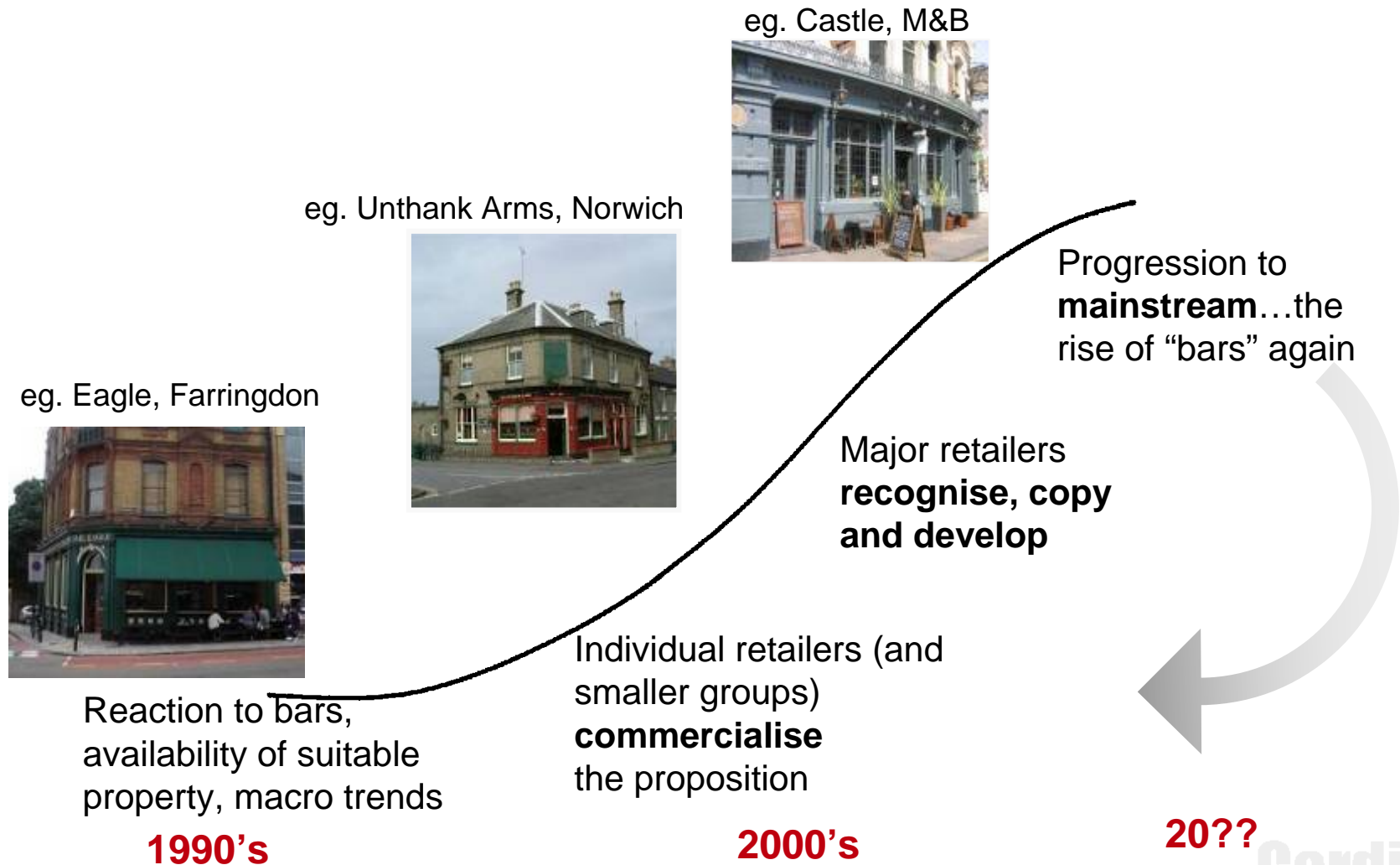
The Others: Luffery

7 The Lock Tavern
London
This self-proclaimed 'barrel-aged boozers' was one of the first of its kind, with a traditional (yet clean and classy) pub-style downstairs and a more slick, novel, soft feel on the second floor. Owned, in part, by DJ Jon Carter. A big favourite of the Cambridge-led Camden cognoscenti and members of the tattooed and un-tattooed fraternities. **Food:** Standard broad-plate classics, like salmon potatoes that'll see high fivers sit at long tables more than usually, and dishes such as a 30g salmon steak and Suck & L'Orange. Prices aren't too steep (most meals are around £15) with some amazing pils from Squares Pie. **Camden on drink:** 300. **Bar:** Frequent live bands, DJ and label nights - Rob Da Bank and South's both play regularly. Check the website for details. **Best seat in the house:** On the upstairs roof terrace at sunset, sipping beer made at the premises in Blackout (weddings on magic). **Washrooms on the Camden street below:** 35 Chalk Farm Rd, London NW1 1DZ. 7487 7463; lock-tavern.co.uk

8 The Inn At Whitwell
Lancashire
No more pub, this deluxe rural retreat also comprises bar, restaurant and its own inn. It's old school and slightly eccentric: the unapologetically (and a little) takes the odd nudge at the EU, and children are best seen and not heard - "If they become too vocal we would be grateful if you would act as kindly and effectively..." **Decor:** The inn dates to the 1300s, so features an unlined, door-entirely, that sport, with the odd, subtle contemporary touch. **Food:** Modernised classics. **Food:** Roast pork and pork knuckle is £3.95; buns, pie and pepper junkie, £16.50. **Bar:** Pub on subject over, rooms from £94. **Whitwell Forest Of Bowland:** 01200-448222

9 The Unicorn
Shropshire
No karaoke, no mealy mugs, no two-for-one shots. The Unicorn is the sort of pub that makes you feel like you're in a very happy, even on a Saturday night, the only background noise is the gentle chirping of good conversation and the sound of customers flicking through the breadboards. **Decor:** 17th-century coaching house with Victorian pub fittings. **Food:** The heavy farmhouse kitchen with knockout baked bread, bubble or squash (£8.95) is a particular Anne favourite. **Best seat in the house:** In winter, next to the log fire. In summer, facing Shropshire Downs on the riverside terrace. **18 Grove St, Ludlow:** 01584-872692

Retail development evolves in stages with each stage learning from the previous



Because retail development is cyclical and brands reflect this – the “early adopter” pubs represent free NPD

.....will end up here ...and learning from it quickly provides potential competitive advantage

Much of what is happening here in terms of brands and décor.....

Reaction to bars, availability of suitable property, macro trends

1990's

Individual retailers (and smaller groups) **commercialise** the proposition

2000's

Major retailers **recognise, copy and develop**

Progression to **mainstream**...the rise of “bars” again

20??

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03 Use premium outlets for free NPD ideas

Example: The Station in Framlingham (Suffolk) – pictures taken in 2005



Free NPD

- Portfolio – Aspalls, Peroni, cask ale
- Local – food, ales

The underlying values underlying the rise of contemporary pubs have implications

Underlying values of contemporary pubs	Drink sectors compatible with this	Design and service compatible with this
<ul style="list-style-type: none">■ Traditional with a contemporary twist■ Real■ Smaller■ Positive value/quality equation■ Low energy■ Comfort■ Casual dining	<ul style="list-style-type: none">■ Genuine imported lagers■ Real ale■ Local brands■ Real wine (not branded wine)■ Gin■ Golden rum■ Interesting good value soft drinks■ Beer with food	<ul style="list-style-type: none">■ Decent food offer – menu, condiments, cutlery etc■ Real fires■ No loud music■ itbox rather than AWP's■ Sofas■ Informal staff outfits■ Localism■ Comfort outside and inside

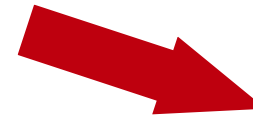
Three ways to keep customers coming back

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In conclusion

1 The Industry

- Fight the negativity
- Get behind real ale



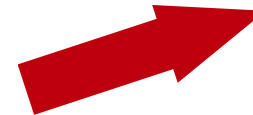
2 Retailers

- External appearance
- Use quality outlets as free NPD



3 Brand owners

- Serve innovation
- Traffic building promotions



The consumer

- Change attitudes
- Change behaviour

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Thank you

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