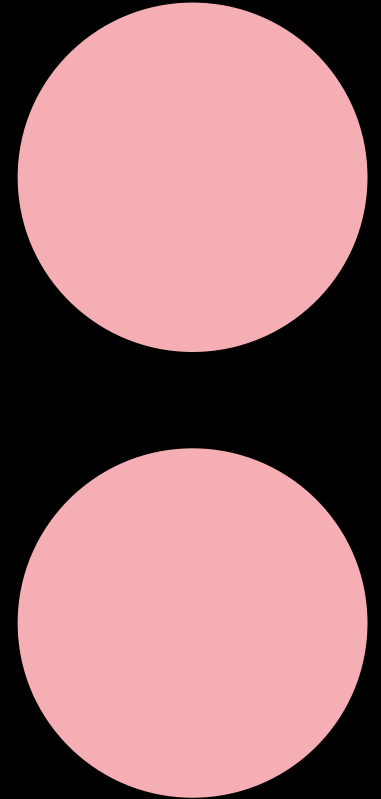
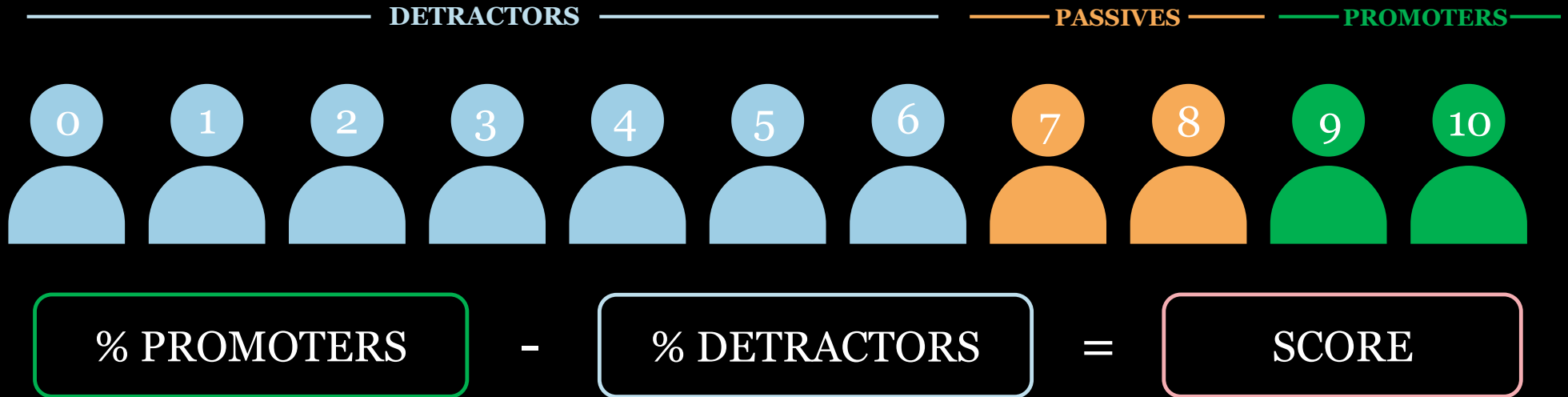

What drives NPS in the eating out market?

Presentation at the Propel
Multi-Club Conference
Martin Dinkele
November 1st 2018

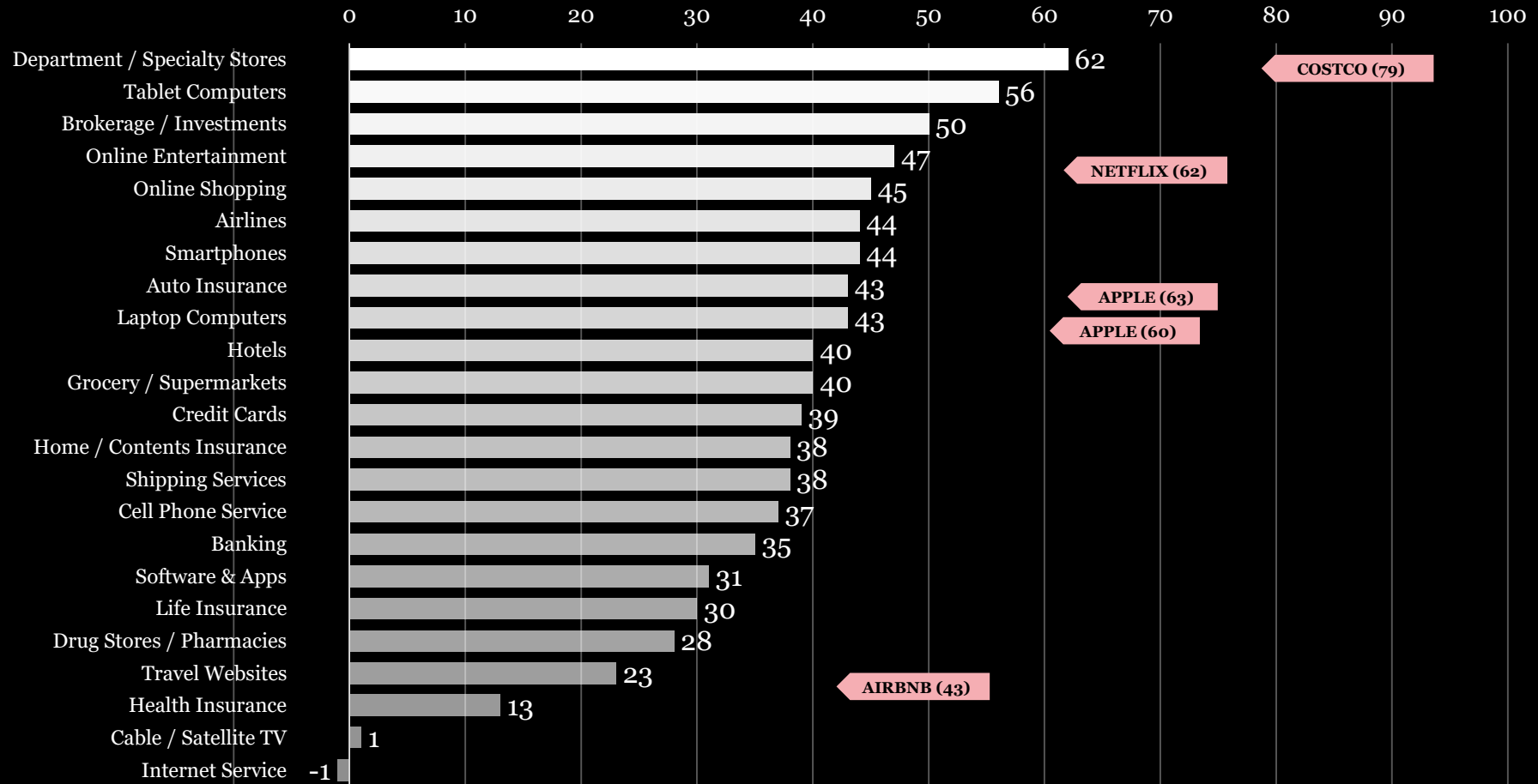


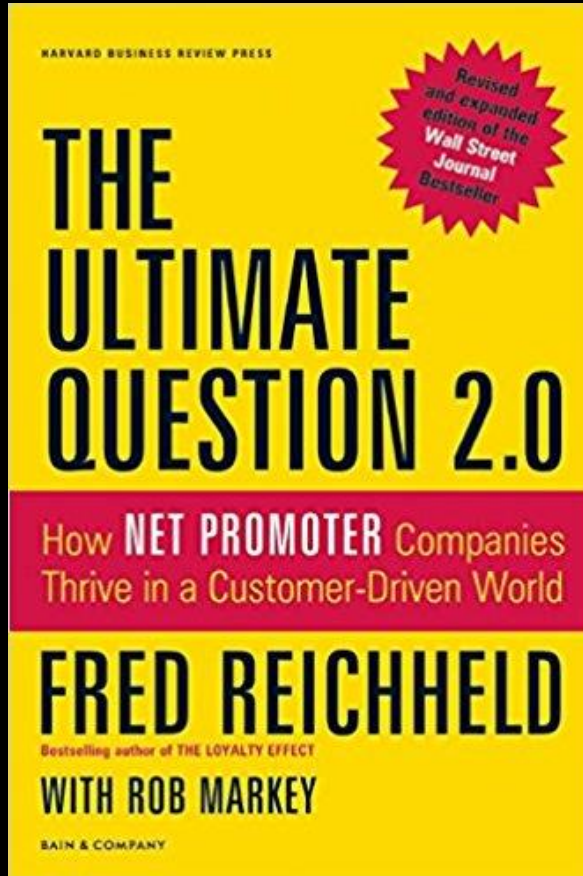
Net Promoter score (NPS)

How likely would you be to recommend ...NAME... to friends / family?
(0 = definitely not recommend. 10 = Definitely recommend).



Metric widely used across business





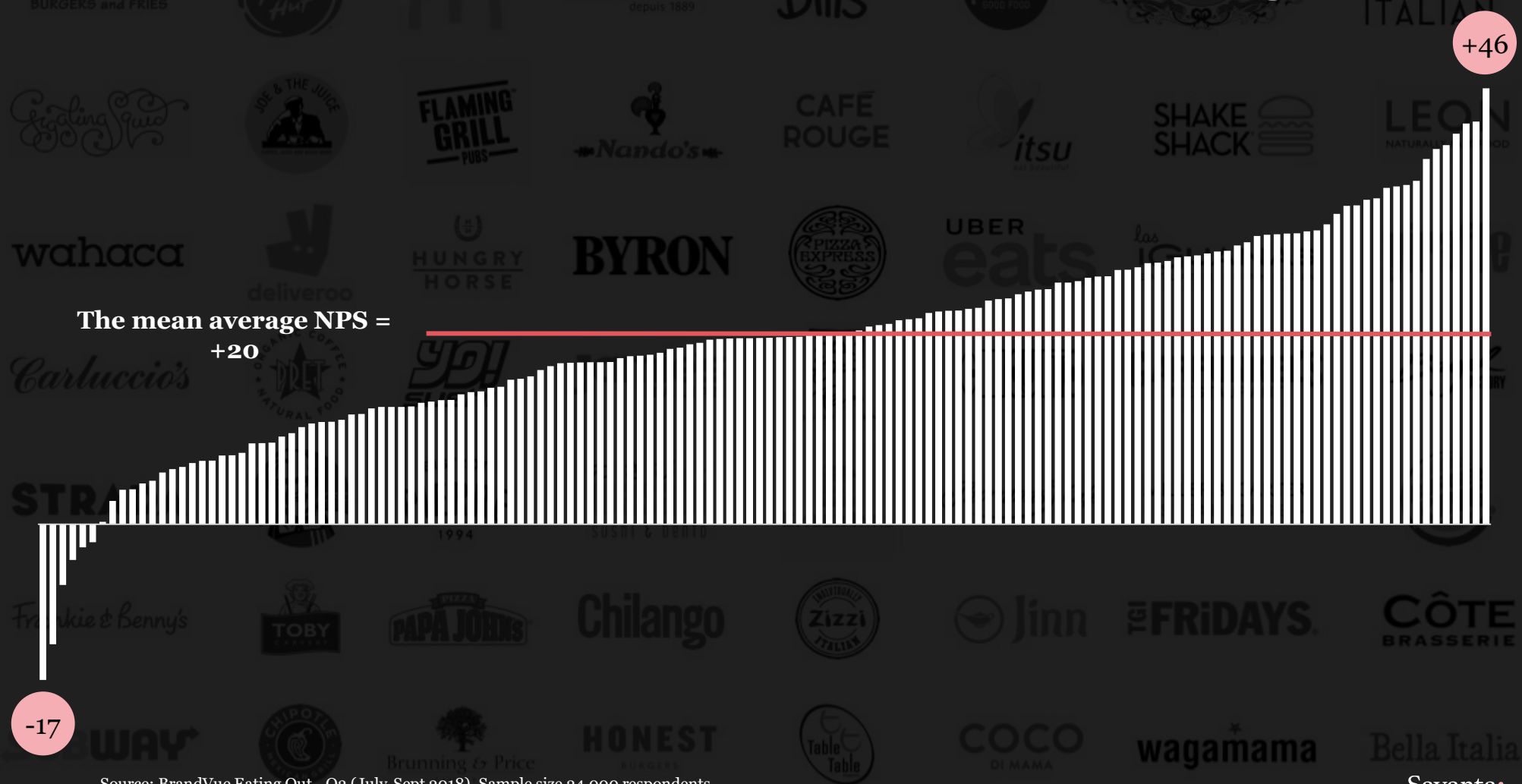
Academic support vs other questions for explaining performance

“On average NPS leaders grow twice the rate of competitors”

Simple – one question, easy to ask, easy to understand, competitor benchmarks

Widely used across all types of business

NPS varies across the 146 brands covered on BrandVue Eating Out



16-24 year olds far less likely to recommend

16-24 year olds higher NPS than 25+
on some brands:

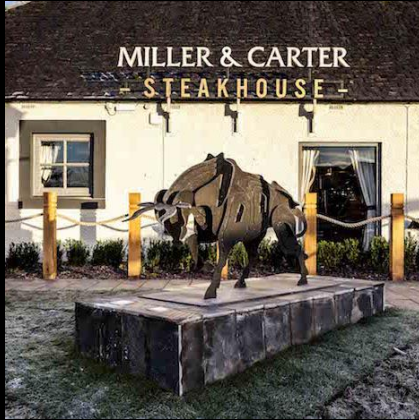


But lower for over three quarters of
brands - more expensive, traditional



- But recommendation may not be the right language for 16-24 year old in a social media age?
- Maybe "Is the food shareable on Instagram?"

Many of the busiest and fastest growing brands have the highest NPS



Best operators in each sub category highlights the variability

ASIAN wagamama +43	BAR THE ALCHEMIST +31	BAR RESTAURANT IGUANAS EAT LATIN • DRINK LATIN +36	BURGER HONEST BURGERS +35	COFFEE SHOP  DEPARTMENT OF COFFEE AND SOCIAL AFFAIRS +26
DELIVERY JUST EAT +31	FAST FOOD SUBWAY +21	GRAB-N-GO PÂTISSERIE VALERIE Est. 1926 +33	BISTRO THE IVY COLLECTION SINCE 1917 +40	ITALIAN FRANCO MANCA SPINACCHIO PIZZA +36
MEXICAN wahaca +41	PUB wetherspoon +26	PUB RESTAURANT MILLER & CARTER - STEAKHOUSE - +46	SHOP CAFE M&S CAFÉ +20	TITLE(?)  +43

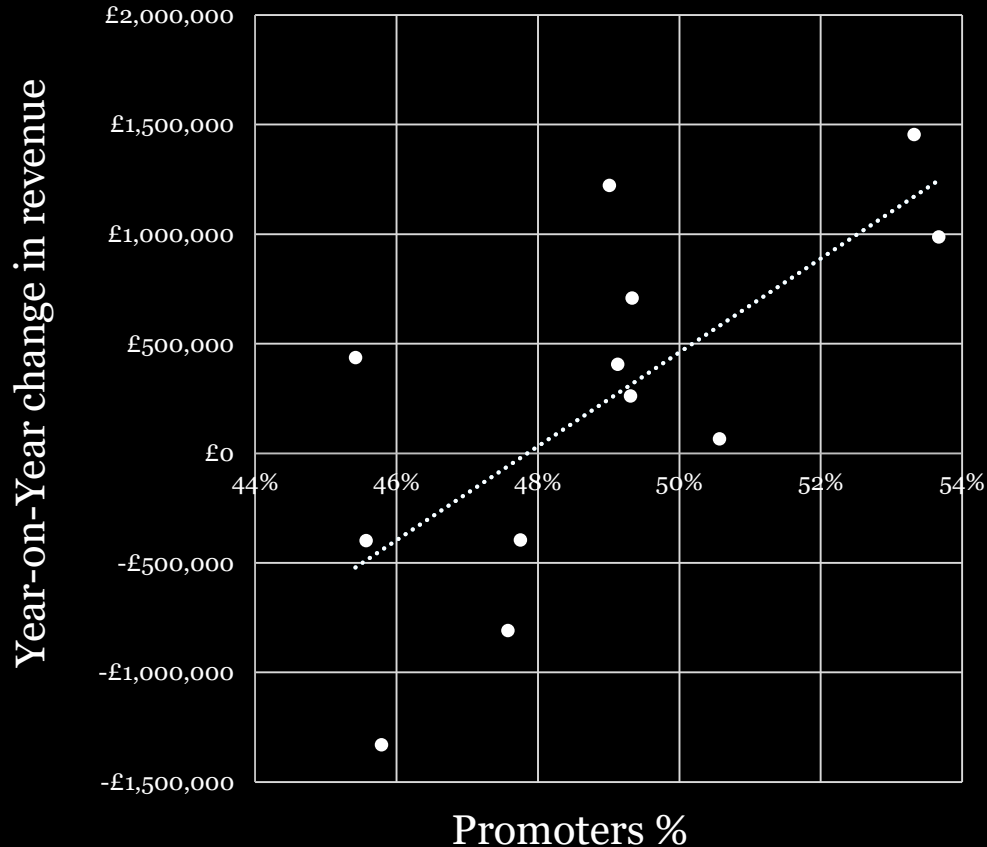
Delivery companies* NPS the same as physical site operators



* Delivery companies = Deliveroo, Dominos, Papa Johns, Just Eat, Uber Eat, Pizza Hut Delivery

Savanta:

Analysis of NPS vs sales data for one operator showed a strong relationship



NPS is correlated with Y-o-Y change in revenue with a Pearson coefficient of +0.70, which is very high.

What does this mean?

A 1 percentage point increase in the proportion of promoters would result in an increase of £2.6 million in revenue per year

Be aware of survey effects

Survey with the
general population
about recent visits

Typical NPS = +20

Survey with
customers from the
CRM database about
recent visit

Typical NPS = +30

Survey with
customers sent an e-
mail link the
following day

Typical NPS = +40

In situ survey
straight after the
meal with diners

Typical NPS = +60

Guest satisfaction with the experience strongly aligned with staff work satisfaction.

Savanta conducted employee surveys for a number of restaurant chains – site staff and head office.

A close-up photograph of a hand holding a large, multi-layered burger. The burger is filled with lettuce, tomato, cheese, and a meat patty. Below the burger, a white plate is filled with golden-brown french fries and a small glass bowl of red ketchup. The scene is set on a wooden table in a restaurant or cafe, with a wooden napkin holder visible in the background. The text "So what drives high NPS?" is overlaid in white serif font across the center of the image.

So what drives high NPS?

Multivariate analysis of over 200,000 occasions across 150 brands

NPS question analysed against:

Rating of the
experience on
different
touchpoints

Reasons for
visit

Brand
perceptions

Occasion
associations

And whether this varies by type of operator

In terms of the experience, one factor trumps all others:

Food quality


“Food quality” encompasses food specifics that all correlate in the same direction:

FLAVOUR

QUALITY OF INGREDIENTS

FRESHNESS



A close-up photograph of a hand pouring milk from a stainless steel pitcher into a white cup of coffee. The coffee has a latte art design on its surface. The background is dark and out of focus.

**Except in coffee
shops where
quality of coffee /
hot drinks is the
key driver**

The implication is to focus on food excellence first:
Experience, décor, atmosphere, being trendy, price etc. all follow

FRANCO
MANCA
TOUADOUEN PIZZA



HONEST
BURGERS



wagamama



wahaca



Top 4 experience drivers of NPS – by channel

Casual dining

1. Food quality
2. Generosity of portions
3. Price attractiveness of food
4. Friendliness of staff

Pubs (restaurants and bars)

1. Food quality
2. Price attractiveness of food
3. Generosity of portions
4. Friendliness of staff

Fast Food

1. Food quality
2. Generosity of portions
3. Price attractiveness of food
4. Speed of service

Coffee shops

1. Quality of coffee/hot drinks
2. Price attractiveness of drinks
3. Food quality
4. Friendliness of staff

Grab n Go Food

1. Food quality
2. Price attractiveness of food
3. Venue – how clean and tidy
4. Speed of service

Store cafes

1. Food quality
2. Generosity of portions
3. Venue – how clean and tidy
4. Quality of coffee/hot drinks

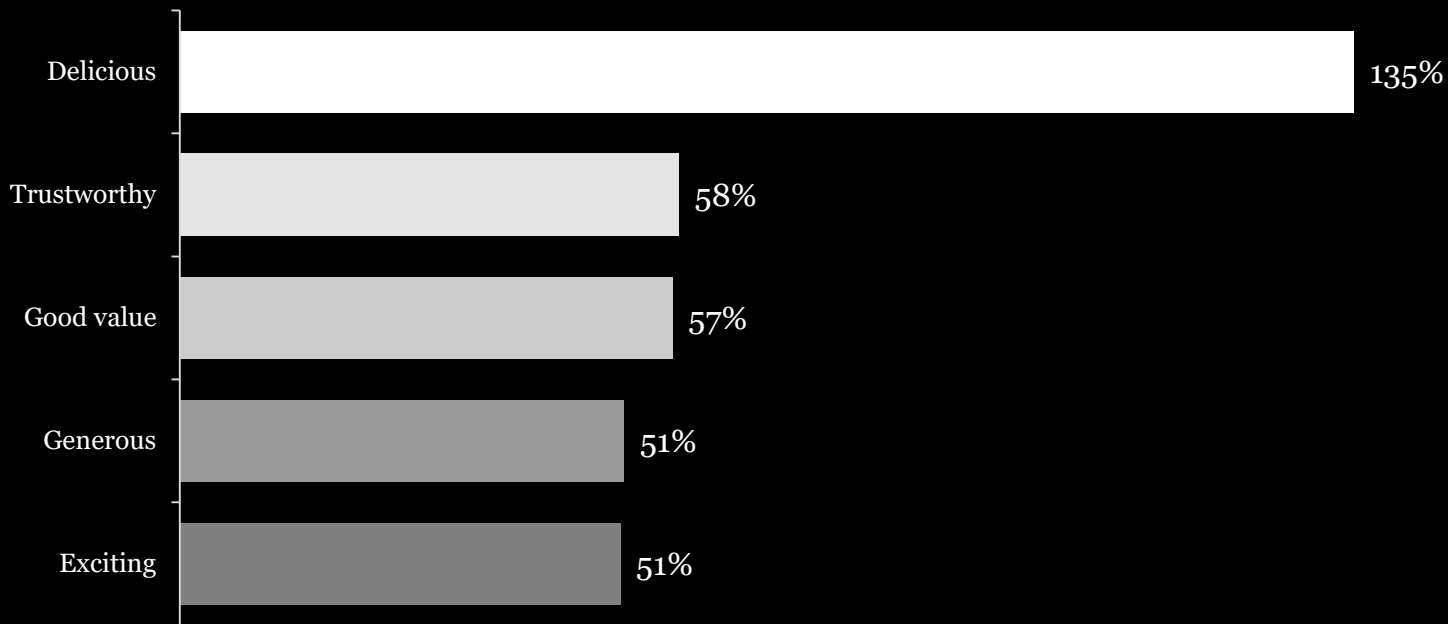


Street food
taps into the
primacy of
“Food Quality”

“Delicious” is the no 1 most desirable brand attribute – in all channels

You're 135% more likely to be a Promotor if you describe a place as “Delicious”

Top 5 drivers





FIND A STEAKHOUSE

MENUS

BOOK

OUR STORY

GIFTS

OFFERS

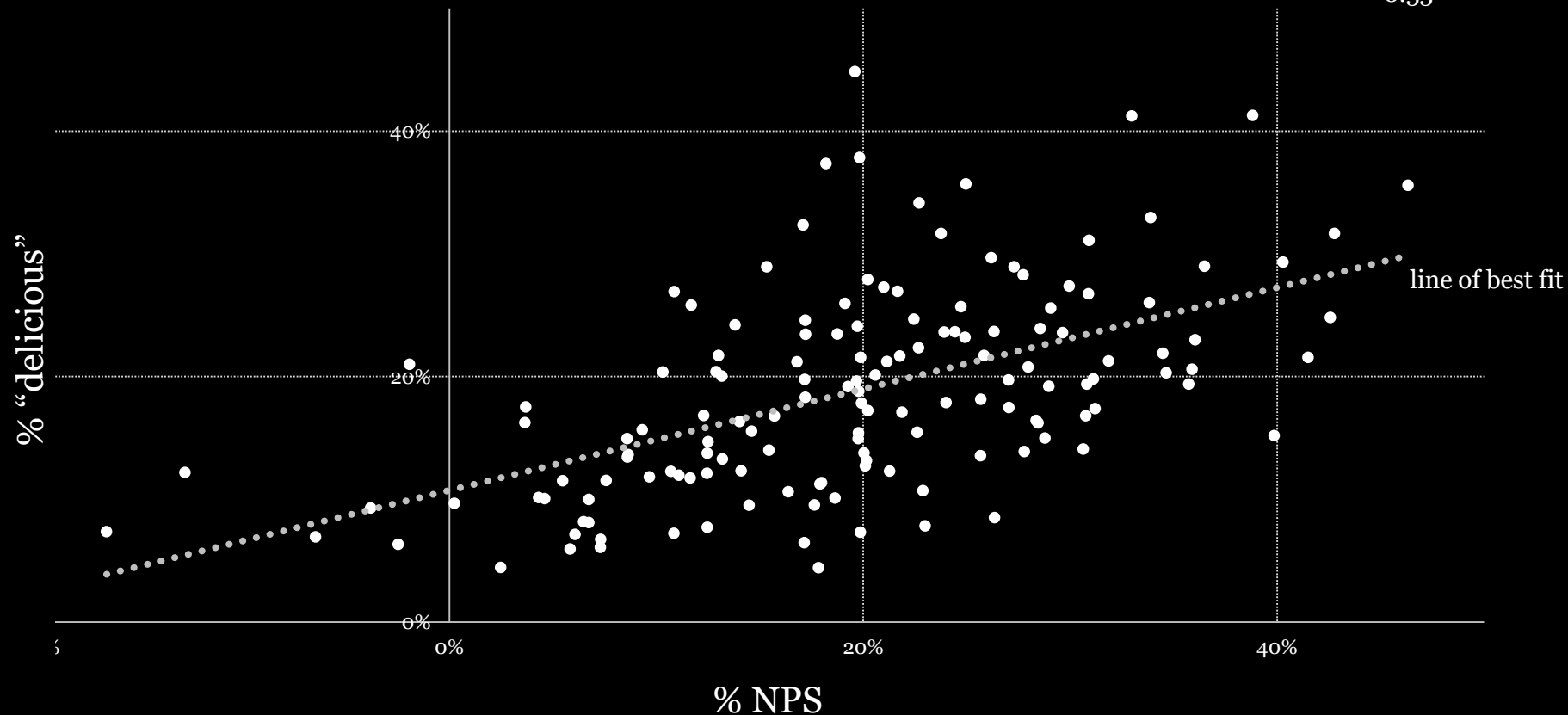
INDULGE
IN DELICIOUS CUTS
FROM OUR
NEW MENU

VIEW MENU

Savanta:

Strong relationship between “delicious” attribute and NPS

Pearson
Coefficient of
0.55



Some attributes are drivers, some are characteristics, some are negative

TOP 5 DRIVERS

“Delicious”
“Trustworthy”
“Good value”
“Generous”
“Exciting”

DRIVERS – BUT LESS IMPORTANT

“Friendly”
“Guilty pleasure”
“Fresh”
“Fun”
“Expert”
“Premium”
“Authentic”
“Has character”
“Stylish”
“Affordable”
“Healthy”
“Cool”
“Homely”

THESE ATTRIBUTES ARE NOT DRIVERS OF BEING A PROMOTOR (THEY'RE MORE CHARACTERISTICS)

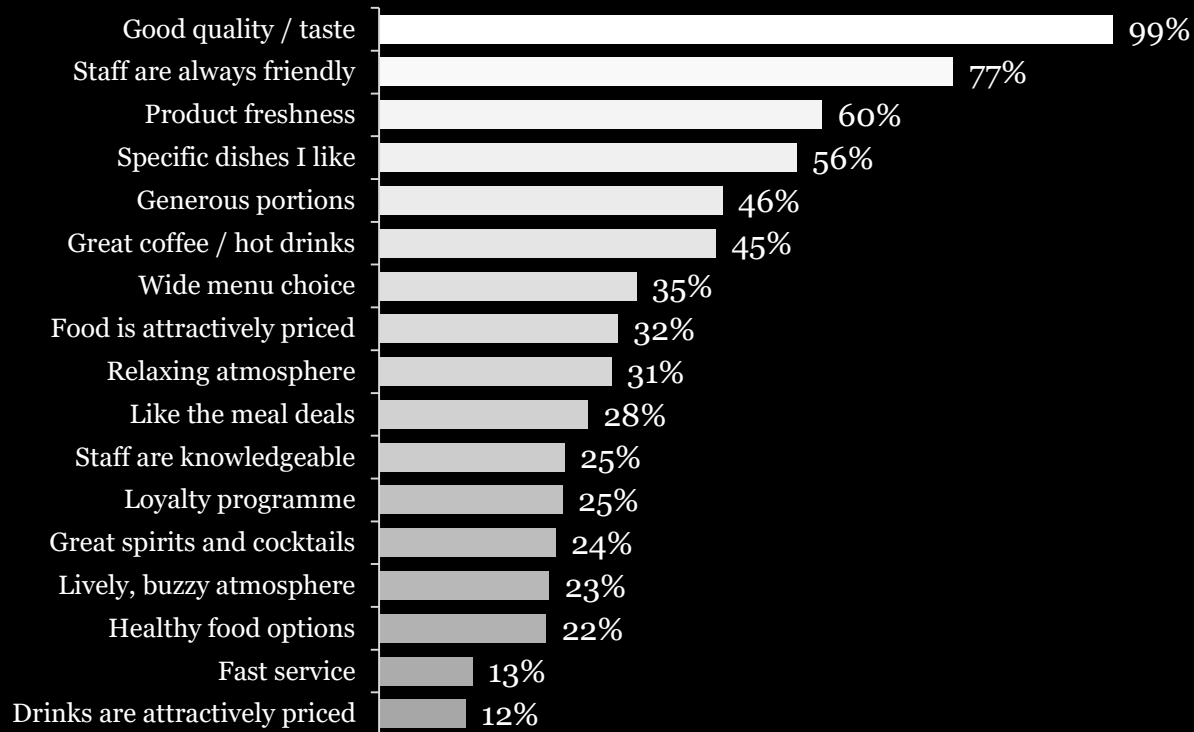
“Family”
“Local”
“Lively”
“Different”
“Quirky”
“Everyday”
“Ethical”
“Fashionable”

ATTRIBUTES LESS LIKELY TO BE A DRIVER OF BEING A PROMOTOR (IN OTHER WORDS THEY'RE ALMOST DISMISSIVE ASSOCIATIONS)

“New”
“Quick”
“Convenient”

Promoters are also more likely to say Food quality is a reason for visit

You're 99% more likely to be a Promotor if your reason for visit is for food quality/taste



Other reasons for visit are more likely to be hygiene factors

- Caters for dietary needs
- You can book online
- Good for children
- Regularly changing menu
- Great soft drinks
- Had a voucher / discount
- Quiet / good place to talk
- Music is just right
- Great wine list
- You can always get a seat
- Absence of children
- Great beers and ciders
- Quick and easy to pay
- Easy to park
- Good for disabled access
- Good opening times
- Near to my home or work
- Good Wi-Fi
- Convenient place to meet
- Near to where I was at the time

More likely to be a Promoter if your last experience was ...

- “Romantic meal / date”
- “Spend time with my partner”
- “Special occasion or celebration”
- “Having a treat”
- “To eat a specific type of food”
- “Part of my regular routine”
- “Get together with friends / family”
- “To take a break / relax”

No more likely if occasion was more circumstantial or functional (e.g. couldn't be bothered to cook, whilst out shopping, quick refuel, because I had a voucher

MILLER & CARTER
- STEAKHOUSE -



FIND A STEAKHOUSE

MENUS

BOOK

OUR STORY

IRRESISTIBLE DATE NIGHT MENU

THURSDAYS FROM 5PM

BOOK A TABLE

BOOK A TABLE



Food operators can improve their NPS, and ultimately sales, by a total focus on food quality – freshness, flavour, sourcing, presentation

It needs to be delicious within expectations set by the brand proposition and pricing

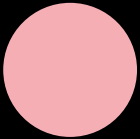
Food quality needs to be a positive reason for visiting
Aspects such as the “experience”, “following food trends”, “stylish décor”, deals, wine list etc are secondary to this



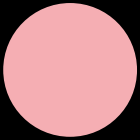
**For coffee shops
the same applies
to coffee / hot
drink quality**



Thank you



For more information please
contact Martin Dinkele



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martin.dinkele@savanta.com