

**Rail Gourmet
and
The Yard Creative**

present

“Successful Retail Design”

November 2009



Starter:

Trends in the rail catering market

Main Course:

Explain the benefits of a strong retail strategy

Dessert:

A flavour of the best on-board retailing

Provide a taste of what's to come

Rail Gourmet background



Rail Gourmet – Part of SSP “The Food Travel Experts”



By Appointment to
Her Majesty The Queen
Royal Train Caterers
Rail Gourmet UK Ltd
London

Rail Gourmet

Winner – “Most Innovative Caterer”
Awarded at the IRCG, Helsinki 2009

The logo for Camden food co., with the text "Camden food co." in a bold, lowercase, sans-serif font. "Camden" is in green and "food co." is in white, all set against a dark brown rectangular background.

The logo for UpperCrust, featuring the brand name in a stylized, cursive font. "Upper" is in black and "Crust" is in white, with a yellow circle behind the "C" in "Crust".



The logo for Caffè RITAZZA, with the word "Caffè" in white, a coffee cup icon in a gold circle, and "RITAZZA" in white, uppercase letters, all on a dark brown background.

How the market is today ...

UK Rail Catering Market



- **95%** logistics - outsourced
- **75%** on-board - in house
- **Style** of catering offer based on:
 - Commuter / Intercity
 - Length of journey
 - Train facilities and investment
- **Key issues**
 - Retail consumer expectations
 - Retail design



European Rail Catering Market



- Spain, Italy and France – all outsourced
- Ireland – all outsourced
- Cross border Thalys and Eurostar – all outsourced
- Norway and Sweden – part outsourced
- Germany, Denmark and Eastern Europe – mostly in house
- Switzerland – separate company owned by railway
- Finland – railway / catering joint venture



Why are retail partnerships so important?



- Utilising retail knowledge and expertise
- Stress removed from train company
- Benefits of efficiencies in process

Key Reason

Retail expertise = Higher sales = **Lower overall cost and possible profit**

Economic Survival



We need to be more consumer and retail focussed to survive.



We need to convince people to buy in today's economic climate

Understanding the Retail Trends



- Starts with having the right research
- 'Food Travel Market' is changing
- The pace of life is speeding up
- 'Customers' are 'Consumers' with a choice
- Train catering needs to attract consumers
- Have to be "more like Tesco than a TOC"

Rail Catering Research



- Average **8 minutes** spent on stations
- **24%** buy before boarding
- **23%** don't know if catering's on-board
- Between **10% to 70%** buy on-board depending on country
- Catering is key if journey over **1 hour**



- **85%** of customers expect high street quality
- Only **half** think it's delivered
- Visible **product** is essential to sales
- **49%** couldn't see what to buy
- In total only **3%** bought a second product

Conclusion

Gaps exist in on-board retail services

Closing gaps is good commercial sense



Developing a Retail Strategy



How to develop a retail strategy to suit your railway ...

The Yard Creative background



The Yard Creative – Design Specialists

The Yard Creative's current train industry clients include Eurostar, Thalys, Railrest and Rail Gourmet.

Steve James-Royle, Creative Director

Over 10 years working with many high street retailers including Tesco, John Lewis, Harrods, O'Neill, 3M and SSP on interior and graphic design.

Steve and his team are now using this knowledge and experience to help the train industry improve retail sales and enhance the consumer's onboard experience.

Design as a tool






Customer behaviours

What is your offer?





Which products
do you choose?

High street logic



STRONG, CLEAR BRANDING

CREATE A STRONG OFFER



fresh, quality food, onboard

ALLOW CONSUMER TO MAKE DECISIONS WHILST WAITING

PROMO OPPORTUNITY TO COMMUNICATE VALUE

PROMOTE VALUE AT THE POINT OF PURCHASE



QUALITY MESSAGE WITH BRAND ENDORSEMENT

hot drinks:

Cappuccino	£1.79
Caffè latte	£1.89
Mocha	£1.99
Espresso	£1.39
Hot chocolate	£1.69
Organic tea / herbal tea	99p

FAIRTRADE

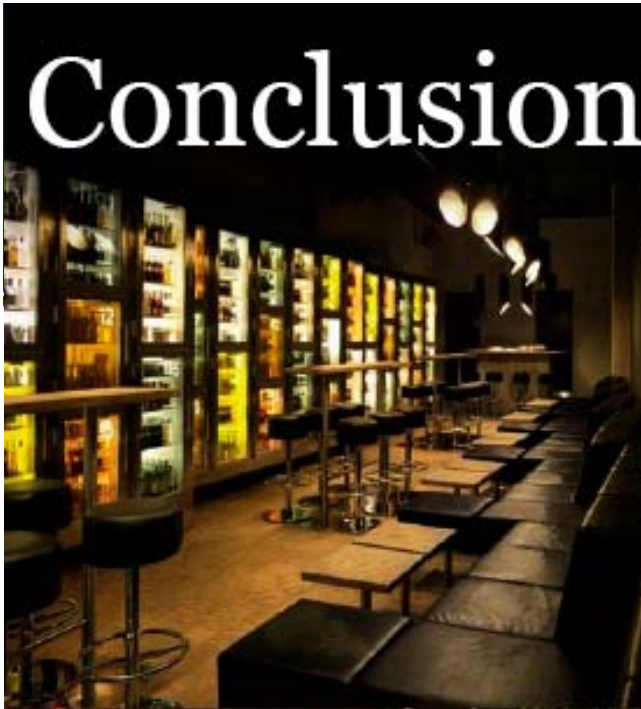
meal deal:

£4.99

fresh, quality food, onboard

www.theyardcreative.com

Conclusion



**A flavour of the best
of the current retail operations ...**

Research undertaken during last 12 months

Rail Catering Research - Switzerland



Great coffee offer sold with passion using WMF tractionised technology



Rail Catering Research – Ireland



Strong visual branding showing food is available from bar
A trolley service to **every seat** on catered trains



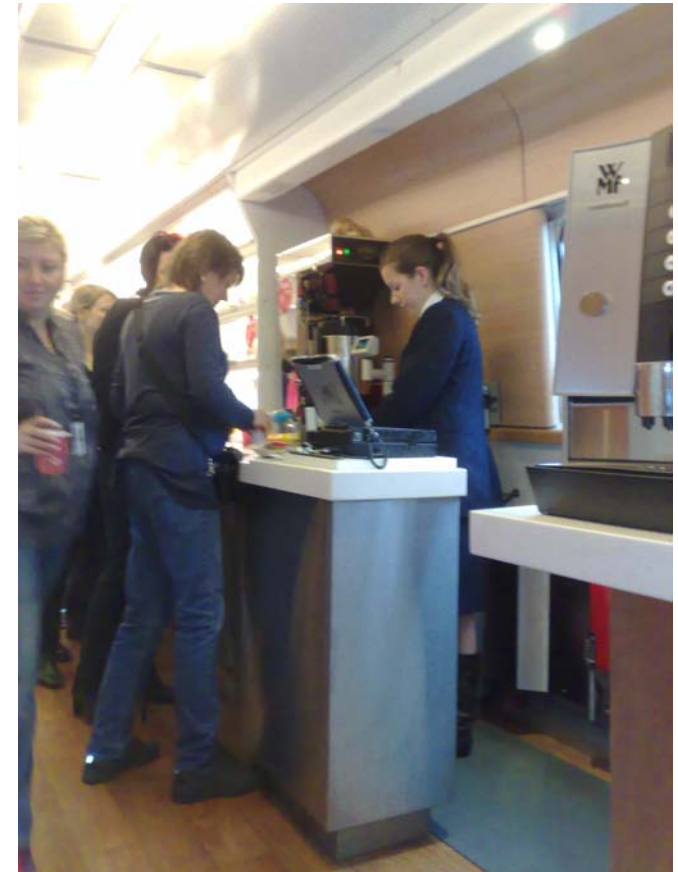
Rail Catering Research – Germany



ICE Board Bistro
Monthly chef's menu



Rail Catering Research - Sweden



**Refrigerated displays - Extra storage underneath
Customer's pour own hot drinks**

Rail Catering Research - UK



Virgin Shop

Lots of trolleys

Ice Cream!



Rail Catering Research - Finland



Deli snacks made fresh
Served into branded area



Rail Catering Research - Finland



Voted best retail offer in Europe



**Clear displays, easy to use
Fresh bake products
Shop style plus trolleys**



Going Forward



A taste of what's to come ...

Going Forward - Trolleys

Wider variety of trolleys including
Coffee machines



Going Forward – Vending



On-board vending in Norway



Going Forward – New Technology

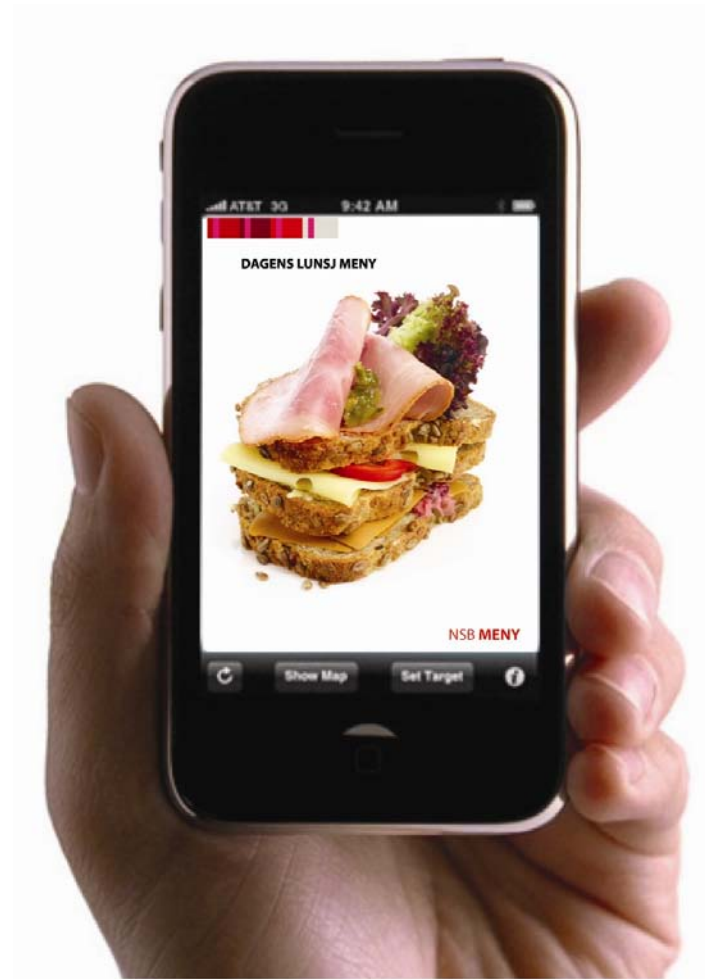


Mobile technology

I-Phones

Order to seat

Connectivity



Success in on-board retail



- **Clearly** communicate the availability of your offer
- **Remove** the barriers between your customers and the product
- **Treat** customers as consumers – **Sell** what people want to buy
- **Use** the power of a good products to grow your travel brand and customer loyalty
- **Use** high street logic – **Think** more like Tesco than a TOC
- **Benefit** from the advice of the retail professionals



Any Questions



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