



COMPETITION WITHIN PUBCOS

Pubco 'favouritism': Licensee struggles against new local pubs from same company

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A licensee has hit out after claiming she is struggling due to fresh competition launched by her own pubco.

Marston's licensee Trudy Thomas, of the Rifleman's Arms, Droitwich, Worcestershire, took on the lease in 2005.



But Marston's recently opened two new sites operating under its **retail agreement**, which she claimed are in direct competition with her.

Struggle

"It's been a real struggle, I've lost a lot of my trade. The new pubs are selling cheaper beer than me, and they've got sport playing there," she said.

Thomas is not the only existing Marston's pub in the area, and said she's spoken to others who also feel the new sites are receiving preferential treatment.

"I don't seem to get any help. There's a lack of funding. It's a tough world anyway, but this makes it even more difficult," she added.

A spokesman for Marston's told the PMA that the pubco is liaising with the licensee directly, and attempting to come to a mutual agreement to support the pub's future.

Common problem

Head of the Pubs Advisory Service, Chris Wright, said "favouritism" within pubcos is a common problem.

"Pubcos may give full discount to one tenant when they open for the first six months, and it gives existing pubs no chance to compete," he said. "Each area has a finite amount of how much people drink. If you open a certain amount of pubs then it's going to take trade away from existing pubs.

"The pubcos don't care who is paying them the wet rent, as long as someone is. If they don't open a new site, another pubco will."

He explained that new sites can often perform well at first due to rent reduction and lower beer prices for new licensees.

"Customers are looking for a deal, and the new sites have all the deals. It's got to be to the detriment of the older pub," he added.

Cheaper pints

Last week the *PMA* reported that the licensee of Enterprise pub, the Rising Sun, Plymouth said he was struggling against completion from another Enterprise pub which was **selling beer for £1 cheaper** due to discounted prices from the pubco.

A spokesperson for Enterprise Inns told the *PMA* that its publicans have a variety of agreements about the supply price of products and the extent of trading tie.

"Each rent is individually and freely negotiated to take account of such arrangements. Our publicans ultimately determine their own retail pricing by taking account of the nature of local competition, the sector of the market that they are looking to attract, and the margins they are wishing to achieve," the spokesman said.

Is pubco "favouritism" a common problem? Send your experiences to oli.gross@wrbm.com

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