

# Ashdale Insights

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## Its Christmas time no need to be afraid

*This month we look at how operators can make the most of the fact that customer want to feel special at Christmas time?*

As the days shorten and the nights draw in I have been checking out some faraway places for some winter sun. What struck me is how so many tour operators now offer all-inclusive holidays, whereas once upon a time it was only the selected few who did that. In fact for some tour companies it's the only type of holiday they now offer. Looking at the casual dining industry we can see similar strategies to this with the growth and popularity of fixed price or set-menus. Although not favoured by everyone they do seem to come into their own when it comes to Christmas.

That said looking through the array of festive menus which are now appearing on restaurant websites I am struck with the relative structured nature of what's being



offered. I know that one way that operators are able to hit the various price points that they do is by keeping things simple. That said may I suggest that with a little more thought and creativity there may be opportunities to trade up your customers to both enhance their experience but also improve your profits.

### **Nothing wrong with pre-selling**

While fixed and set price menus at Christmas help customer's budget and in many cases are an important part of the decision making progress that doesn't mean there aren't opportunities to trade them up. With pre-

booked tables usually a must in these situations you should have plenty of time to get back in touch with who ever made the booking to see if they would like to add any extras.

This may be as simple as taking a leaf out of the way theatres handle the interval and give them the chance to pre-order drinks before arrival.

**To read this and previous articles in full go to Ashdale Articles**

[www.ashdale-consulting.com](http://www.ashdale-consulting.com)

or

**Casual Dining Magazine**  
[www.casualdiningmagazine.co.uk](http://www.casualdiningmagazine.co.uk)

***CPI is the highest it has been since March 2012***

***Morrison's was the fastest growing of the large supermarkets this period, up +2.8%***

***Concerns about the wider economic prospects for the UK economy dampen consumer's outlook***

## Economic Headlines

*These headlines are from our Economic Bulletin.*

CPI for September 2017 was +3.0% up from +2.9% in August, the highest it has been since March 2012 as the weak pound continues to see costs rise.

Latest figures from the ONS show that unemployment remained

at 4.3%, but pay still failed to keep pace with inflation, as pressure grows to increase interest rates.

The preliminary estimate for GDP for Q3 was +0.4%, Production and Services industries showed growth although Construction contracted once again.

CPI	+3.0%
RPI	+3.9%
CPIH	+2.8%

UNEMPLOYMENT	+4.3%
PAY	+2.2%

Q3 GDP	+0.4%
TRADE BALANCE	<b>(£13.2BN)</b>
SERVICES	+£25.74BN

## Retail Headlines

*These headlines are from our Retail Bulletin.*

Retail sales rose +1.2% in September 2017 vs. September 2016, meaning that 3rd Qtr retail growth slowed to a year-on-year rate of 1.5%, the lowest since the 2nd Qtr 2013.

The biggest downward pressure on sales volume

and value in September was in Non-Food stores as Food stores also reported falls in both measures.

Latest 12 week figures saw the Grocery Market grow by +3.1%, this marks the 17th period of growth in a row for Britain's grocers.

RETAIL VOLUMES	+1.2%
RETAIL VALUES	+4.4%
INTERNET SALES	+14.0%

GROCERY MARKET	+3.1%
GROCERY INFLATION	+3.2%

Lidl	+16.0%
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## Consumer Spending Headlines

*These headlines are from our Consumer Spending Bulletin.*

Average family spending power was down (**£1**) a week in September at £197 as prices for essential items and services haven risen again.

The estimated average mortgage debt in August

was £121,678, meaning the average annual interest paid would be £3,078 per household (based on a rate of 2.53%).

GfK's UK Consumer Confidence Index was **(10)** in October down **(1)** compared to September, driven by concerns about the general economic situation.

HOUSEHOLD INCOME	£769
TAXES & COST OF LIVING	£572
DISCRETIONARY	£197

HOUSEHOLD DEBT	£57,331
EXC MORTGAGES	£7,492

Overall Confidence	<b>(10)</b>
LY Personal Finances	+0
NY Personal Finances	+4

## Beer Update

Latest data from the British Beer & Pub Association shows that beer sales in Q3 2017 were down (1.9%) on the same quarter a year ago.

The decline was driven by sales through Pubs, Bars and Restaurants although sales through Supermarkets & Convenience Stores were also down in the quarter.

Sales through Pubs, Bars and restaurants in the UK in Q3 were down 3.6%. This compares to a decline of (0.2%) in Q2 this year and a decline of (3.4%) in Q3 in 2016

Sales through Supermarkets & Convenience Stores in the UK in Q3 were down (0.2%) compared to the same quarter last year.

This compares to a growth of +2.1% in Q2 and a decline of (3.2%) in Q3 in 2016.

Source: BBPA November 2017



***It is the higher ABV brands which continue to be the best performing***

## Supermarket Update

The latest grocery market share figures reveal the overall market has grown by 3.1% – the 17<sup>th</sup> period of growth in a row for Britain’s grocers.

Grocery inflation stands at +3.2% for the 12 week period ending 8<sup>th</sup> October 2017 although consumers could be welcoming a slowdown in price rises in the new year, with the

rate projected to fall below 2% in the first quarter of 2018.

Meanwhile, Christmas has already started in the supermarket aisles. £69 million of chocolate confectionary boxes were sold in the last four weeks, a near threefold increase on sales in August; mince pies

reached sales of £4 million and the British public spent £1.1 million on Christmas puddings!

Source: Kantar World Panel



***Christmas has already started in the supermarket aisles***

## Weather Summaries

For more months and years then simply go to:

[www.ashdale-consulting.com](http://www.ashdale-consulting.com)

SEPTEMBER	
	Temp = (0.1) Rain = 124 Sun = 88
<ul style="list-style-type: none"> <li>• Mostly unsettled, especially in England &amp; quite windy</li> <li>• Average temps, below normal in the South but above in the North</li> </ul>	

OCTOBER	
	Temp = 1.8 Rain = 79 Sun = 80
<p><b>WARM</b></p> <ul style="list-style-type: none"> <li>• Often cloudy but warm with some unusually high temps</li> <li>• Drier than average and it did get colder at the end of the month</li> </ul>	

***October was mostly warm although it got colder at the end of the month***

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**Analysis  
Insight  
Strategy**



## About Ashdale Business Consulting

Ashdale Business Consulting is an independent consultancy providing analysis, insight and strategy across the UK alcohol and hospitality industry. Specialist areas include Strategic & Marketing Analysis, Scenario Planning & Forecasting, Category Management and Profit & Value Chain Modelling. We also deliver training across a range of business and marketing activities, all of which help to improve an organisations ability to make more profitable decisions.

Clients range from individual outlets and microbrewers through to regional/national brewers, as well as global drinks companies and trade organisations.

**For more information go to our website:**

[www.ashdale-consulting.com](http://www.ashdale-consulting.com)

**For more information about our FREE and chargeable eLearning training go to:**

[www.http://ashdale-academy.teachable.com](http://www.http://ashdale-academy.teachable.com)

## Dates and Events for Your Diary

### General

#### November

5<sup>th</sup> Bonfire Night  
11<sup>th</sup> Armistice Day  
17<sup>th</sup> Children in Need  
24<sup>th</sup> Black Friday  
30<sup>th</sup> St Andrews Day

#### December

21<sup>st</sup> Solstice (Longest Day)  
25<sup>th</sup> Christmas Day  
26<sup>th</sup> Boxing Day  
31<sup>st</sup> News Year's Eve

### Licensed Trade

#### November

13<sup>th</sup> Nebbiola Day  
(Italian Wines)  
18<sup>th</sup> World Beer Awards  
(Lnd)  
22<sup>nd</sup> Autumn Budget

#### December

13<sup>th</sup> All Party Parliamentary  
Drinks Reception  
19<sup>th</sup> ALMR Christmas Lunch

### Sports

#### November

12<sup>th</sup> Grand Prix (Brazil)  
12<sup>th</sup> – 19<sup>th</sup> Tennis ATP  
23<sup>rd</sup> – 27<sup>th</sup> Aus v Eng 1<sup>st</sup> Test  
26<sup>th</sup> Final Grand Prix (Abu Dhabi)

#### December

2<sup>nd</sup> Rugby League World Cup  
Final  
17<sup>th</sup> BBC SPOTY (Liverpool)

## Ashdale Training Dates

### Licensed Trade

#### November

22<sup>nd</sup> How To Make More Profit (Sheff)  
23<sup>rd</sup> How To Make More Profit (BoT)  
Elearning courses available

#### December

Elearning courses available

### Marketing

#### November

21<sup>st</sup> Marketing Planning For Small Businesses  
Elearning courses available

#### December

Elearning courses available