

Ashdale Insights

INSIDE THIS ISSUE:

Economic Headlines	2
Retail Headlines	2
Consumer Headlines	2
Drinks Update - Wine	3
Pub & Bar Update	3
Weather Summaries	3
Dates for Your Diary	4

One Price To Fit All?

This month we look at whether operators are missing out by pricing everything the same?

Burton-on-Trent is considered by many to be the home of British brewing, apologies to anyone wishing to make a counter claim. And although the number of brewers still there has fallen dramatically since it's heyday in the late 1800's and early 1900's. It is still the home of Molson Coors (nee Bass) and Marston's Pedigree, along with a number of smaller microbrewers. As a result of this concentration of brewing and its bi-products, 1902 saw the creation of the Marmite Food Company. This was after a German scientist, Justus Liebig, discovered brewer's yeast could be concentrated, bottled and eaten. Dig a bit deeper and you will also discover that in 1922 it was also the birth place of Branston Pickle. Although sadly it has been some time since it the brand was actually made there.



Whilst Burton's association with Brewing, Marmite and Branston Pickle is well documented. I was surprised to discover the other day that it had another claim to fame. As the country moved into recession in 1990, Poundland opened the doors to its first store in the Octagon Centre, a small low-rent shopping mall in the town centre. Where it still has a store today, albeit in a bigger unit!

Poundlands success has been built on selling everything at the same price, a £1. The thinking behind this being that a) it is a very attractive price point for shoppers

and b) it simplifies the whole decision making process. It's worth noting that since its beginning even Poundland have evolved this approach slightly and whilst the majority of items still conform to this price, they do have a number of exceptions on a store-by-store basis. This had me thinking, what the benefits or otherwise are when pubs and restaurants adopt a similar simplistic approach, albeit not necessary at a pound a pint!

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

www.ashdale-consulting.com

Falling petrol prices and a slower rise in the cost of food were the main drivers of this drop

Aldi pipped Lidl to the crown of fastest-growing supermarket this month – combined share of 12.1%

Spring is in the air with increases across the board on personal finances and the general economy

Economic Headlines

These headlines are from our Economic Bulletin.

CPI for February 2018 was +2.7% down on +3.0% in January, falling petrol prices and a slower rise in the cost of food were the main drivers of this.

Latest figures from the ONS show that unemployment fell back to 4.3%, and there was

also good news for wages which grew by +2.8% for the 3-months to January.

The final estimate for GDP for Q4 was +0.4%, down from +0.5%, meaning 2017 as a whole was +1.8%, making the UK the world's slowest-growing major economy.

CPI	+2.7%
RPI	+3.6%
CPIH	+2.5%

UNEMPLOYMENT	+4.3%
PAY	+2.8%

Q4 GDP	+0.4%
TRADE BALANCE	(£8.7BN)
SERVICES	+£27.85BN

Retail Headlines

These headlines are from our Retail Bulletin.

Retail sales rose +1.5% in February 2018 vs.

February 2017; this was driven by petrol, supermarkets and online shopping as non-food retailers continue to face difficulties.

Non-food retailers continue to be under

pressure as Toys R Us and Maplin are closing, with Moss Bros and B&Q issuing profit warnings.

Latest 12 week figures saw the Grocery Market grow by +3.2%, marking the 12th consecutive period in a row that total market sales have exceeded 3%.

RETAIL VOLUMES	+1.5%
RETAIL VALUES	+3.9%
INTERNET SALES	+13.7%

GROCERY MARKET	+3.2%
GROCERY INFLATION	+2.9%

Aldi	+13.9%
------	--------

Consumer Spending Headlines

These headlines are from our Consumer Spending Bulletin.

Average family spending power was up £2 a week in February at £199, this is the first time that disposable incomes have increased since July 2017.

The estimated average mortgage debt in January was £123,292, meaning

the average annual interest paid would be £3,119 per household (based on a rate of 2.53%).

GfK's UK Consumer Confidence Index was (7) in March up +3 compared to February, with consumers being more confident especially about personal finances.

HOUSEHOLD INCOME	£778
TAXES & COST OF LIVING	£579
DISCRETIONARY	£199

HOUSEHOLD DEBT	£57,943
EXC MORTGAGES	£7,629

Overall Confidence	(7)
LY Personal Finances	+3
NY Personal Finances	+10

Wine Update

Latest data from the HMRC shows that still wine returns for December 2017 were up +0.6% versus December the previous year.

This combined with October up +2.0% and November down (0.3%) meant that Q4 was up +0.7% vs. 2016.

This means that the

current MAT is up +1.3% vs. this time last year.

Sales of sparkling wines were down in December (6.3%), the first December decline since 2009.

Combined with a decline in October of (2.9%) and growth in November of +14.8% meant Q4 still finished up +2.0% vs. 2016.

This means that the current MAT is up +5.3% compared to last year.

Is the bubble beginning to burst for sparkling wine?

Source: HMRC February 2018



Sales of sparkling wines were down in December (6.3%), the first December decline since 2009

Pub & Bar Update

The New World Trading Company celebrated being placed 7th in The Sunday Times 100 Best Companies to Work For 2018 – the highest ever position for a company within the hospitality industry on the list.

Consumers in Britain were expected to spend over £80m in extra Easter Bank Holiday sales at pubs,

bars and restaurants compared to last year, reports Liberis.

There are significant levels of pay disparity by gender, nationality and job function across the hospitality sector, according to new data by The Change Group.

Analysis of pay based on candidates registered in

2017 reveals that, across all roles and nationalities, there is a 7.3% gender pay gap across the hospitality sector, with men being paid on average £2,000 more than women.






The gender pay gap is highest among front of house managers at 13.7%, while the nationality pay disparity is highest in the kitchen

Weather Summaries

For more months and years then simply go to:

www.ashdale-consulting.com

FEBRUARY		
	DRY	Temp = (1.3) Rain = 73 Sun = 137
<ul style="list-style-type: none"> Unsettled 1st half of the month, finishing colder with snow Coldest February since 2010 but also 2nd sunniest since 1929 		

MARCH		
		Temp = (1.6) Rain = 110 Sun = 83
COLD	MILD	<ul style="list-style-type: none"> Started cold with widespread snow & below freezing temps Rest of the month was milder but with rain and unsettled

March began with an exceptionally cold easterly flow and widespread snow

Ashdale Business Consulting Ltd
6 Lichfield Street
Burton-on-Trent
Staffordshire
DE14 3RD

Phone
07967 197533
E-mail
chris@ashdale-consulting.com
Twitter
@Ashdale2012

Helping clients...

Sell More
Charge More
Lower Costs

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

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

www.http://ashdale-academy.teachable.com

Dates and Events for Your Diary

General

April

1st Easter Sunday
2nd Easter Monday
23rd St George's Day

May

7th May Bank Holiday
19th Royal Wedding (1pm)
25th GDPR
28th Spring Bank Holiday

Licensed Trade

April

1st Bournemouth Beer Fest
4th Newcastle Wine Fair
5th-7th Cocktails in the City (Ldn)
6th Soft Drinks Levy
16th-22nd Coffee Week

May

1st MUP Scotland
4th Sheffield Uni Beer Fest
23rd Pub & Bar Awards

Sports

April

4th-15th Commonwealth Games (Aus)
4th-15th Masters (USA)
14th Grand National

May

16th Europa League Final
19th FA Cup Final
26th Champions League Final

Ashdale Training Dates

Licensed Trade

April

19th How To Make More Profit (Sheff)

May

15th How To Make More Profit (Sheff)
3rd How To Make More Profit (BoT)
17th How To Make More Profit (BoT)

Marketing

April

Currently no open workshops

May

Currently no open workshops

