

Ashdale Insights

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They'll Be Here Soon

This month we ask how do operators deal with customers who book and then don't turn up?

One of the most interesting decisions that a restaurant or even a pub needs to take when it comes to their food offer is whether or not they insist customers make reservations. For most fine dining restaurants that is an overwhelming yes. Conversely at the more casual end of the spectrum it is usually a no. Of course in reality most operators steer a middle course. They prefer bookings, who wouldn't, but they also accept and sometimes encourage walk ups as a way to fill tables when things are quiet.

Of course taking bookings is one thing, whether or not your customers actually turn up is an entirely different matter.

No shows

Like many people I have on occasion turned up a bit late for a lunch or dinner reservation.



When this has happened and I am probably talking about 10 or 15 minutes at most, I have expected and thankfully found that the table has been kept and not given away to someone else. In my view once a customer is over 30 minutes late, assuming they haven't called ahead, then you are within your rights to give the table to someone else. Let's be honest in this day and age most people have got a mobile phone. So there shouldn't be any excuses.

Therefore based on my own experience it wasn't until recently that I became aware of the scale of the problem that

many operators face when it comes to customers not turning up at all. A survey in 2015 estimated that British restaurants were losing somewhere in the region of £16bn annually due to no-shows. On an outlet by outlet basis I have heard operators quote 10% as the norm, with this rising to 20% in larger cities.

With margins often quite tight, no-shows at this sort of level can wipe out any profits you might have hoped for from any given sitting.

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

www.ashdale-consulting.com

Economic growth continues to be slow as uncertainty remains over what Brexit might look like

Lidl experienced double-digit growth as Aldi edged up to a new record high market share

Shoppers are holding on to their cash as consumers in general seem set on a path of self-imposed austerity as the overall index has been zero or negative for 30 months

Economic Headlines

These headlines are from our Economic Bulletin.

CPI for May 2018 was +2.4% flat on +2.4% in April, as fuel prices increased by the biggest monthly amount since January 2011, rising by +3.8%.

Latest figures from the ONS show that unemployment remained

at 4.2%, as wage growth slipped back slightly dampening expectations of an August interest rate rise.

The final estimate for GDP for Q1 was +0.2%, up +0.1pp last month, after construction data was found to be stronger than earlier estimates.

CPI	+2.4%
RPI	+3.3%
CPIH	+2.3%

UNEMPLOYMENT	+4.2%
PAY	+2.5%

Q1 GDP	+0.2%
TRADE BALANCE	(£9.7BN)
SERVICES	+£26.50BN

Retail Headlines

These headlines are from our Retail Bulletin.

Retail sales rose +3.9% in May 2018 vs. May 2017, as good weather and the royal wedding celebrations contributed to a strong rise in retail sales in the month.

Strong sales in May masked the underlying trend which still sees the

retail sector under pressure with House of Fraser and Poundworld hit the headlines.

Latest 12 week figures saw the Grocery Market grow by +2.1%, as wonky vegetables have helped Morrison's remain the fastest growing of the big four supermarkets.

RETAIL VOLUMES	+3.9%
RETAIL VALUES	+6.3%
INTERNET SALES	+19.9%

GROCERY MARKET	+2.1%
GROCERY INFLATION	+1.9%

Lidl	+10.0%
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Consumer Spending Headlines

These headlines are from our Consumer Spending Bulletin.

Average family spending power was up £4 a week in May at £201, with the East Midlands the only region where it is still in decline vs. the same quarter last year.

The estimated average mortgage debt in April

was £123,721, meaning the average annual interest paid would be £3,081 per household (based on a rate of 2.49%).

GfK's UK Consumer Confidence Index was (9) in June down (2) compared to May, as consumers in pre-Brexit UK are less confident about the economic future.

HOUSEHOLD INCOME	£783
TAXES & COST OF LIVING	£582
DISCRETIONARY	£201

HOUSEHOLD DEBT	£58,233
EXC MORTGAGES	£7,744

Overall Confidence	(9)
LY Personal Finances	+0
NY Personal Finances	+6

Wine Update

Latest data from the HMRC shows that still wine returns for March 2018 were down (10.2%) versus March the previous year. This combined with January down (0.9%) and February down (1.5%) meant that Q1 was down (5.2%) vs. 2017.

This means that the

current MAT is down (0.3%) vs. this time last year.

Sales of sparkling wines in March were down (24.0%), the worst month since February 2011.

Combined with increases in January of +8.5% and +17.1% in February meant Q1 finished down (5.0%) vs. 2017.

This means that the current MAT is only seeing growth of +3.2%, its lowest level since June 2012.

Source: HMRC May 2018



The strong growth in sparkling wine, in particular Prosecco, seems to be coming to an end

Pub & Bar Update

Draught beer sales have enjoyed a 'massive increase' during the last three England World Cup matches, according to real time data from Vianet's iDraught systems across the UK.

All six companies subject to the Pubs Code have shown a united front in relation to a decision on adjudication

transparency. The move by pub companies to waive their rights in this respect will help in providing clarity and transparency for the whole sector.

Pub group Greene King has confirmed its support of Minimum Unit Pricing for alcohol in response to the recent vote by the

Welsh Assembly.

Issues with the supply of CO₂ in the UK have affected major drinks suppliers' ability to maintain production and distribution.



The additional turnover value to a pub for the England group games was around £381 per session based on the average of 109 pints increase at £3.50 a pint

Weather Summaries

For more months and years then simply go to:

www.ashdale-consulting.com

MAY	
 WARM	Temp = +1.7 Rain = 69 Sun = 132
<ul style="list-style-type: none"> For most places the 1st half of the month was sunny and warm The last week saw spells of rain as well as thunderstorms 	

JUNE	
 HOT  DRY	Temp = +1.8 Rain = 48 Sun = 142
<ul style="list-style-type: none"> Above average temps for much of the country Some thunderstorms at the end of the month but mostly dry 	

June was warm and dry for most and for some it was record-breaking, the warmest and driest June on record

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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

July

4th Independence Day (USA)
14th Bastille Day (France)

August

6th Bank Holiday (Scot)
27th Bank Holiday (E&W)

Licensed Trade

July

2nd-3rd Imbibe Olympia
12th Beer Summit (Man)
14th-15th Weymouth
Seafood Festival
20th National Pub Fortnight
28th-29th Craft Drinks (NEC)

August

3rd-5th London Craft Beer
Festival
7th-11th GBBF Olympia
23rd-26th Gin Festival (Lnd)

Sports

July

2nd-15th Wimbledon
8th British Grand Prix
15th World Cup Final
19th-22nd The Golf Open

August

11th Premier League Starts
25th Rugby League Cup Final
26th Belgian Grand Prix

Ashdale Training Dates

Helping Pubs & Bars Make More Money

Next Open Workshops

5th September – Burton-on-Trent
19th September - Burton-on-Trent

3rd October - Burton-on-Trent
17th October - Burton-on-Trent

Marketing Planning For Small Businesses

Next Open Workshops

10th July - Burton-on-Trent
24th July - Burton-on-Trent

