

# Ashdale Insights

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## Remove the Friction

*This month we ask how easy do operators make it for customers to engage with them?*

If you are like me, every couple of years you get a letter or email from your gas and electricity company telling you that your current 'deal' is about to expire. They then say and I paraphrase that they will then put you on worse tariff whilst at the same time offering you something slightly better but only if you sign up for another 18 months or two years. So you then dig out the last set of bills, something you haven't done since the last time your contract expired, to see what you should do.

You are then faced with a couple of pages of numbers and codes which aren't easy to understand. In most cases I have ended up defaulting to the recommended new tariff, breathed a sigh of relief and put everything away until next time. Not exactly a great



experience.

My particular bugbear is when I do try and contact my providers I am left on hold for ages because "we are experiencing high level of calls at the moment". Of course you are, everyone is trying to understand their bills!

Unfortunately being difficult to deal with isn't the sole preserve of utility companies. When it comes to the hospitality sector many pubs and restaurants also seem to go out of their way to do the same.

The best operators make it as easy as possible for customer to engage with them – they remove the friction.

### Window to the world

Although I still occasionally come across a restaurant or pub which doesn't have a website these are definitely the exceptions. To be fair in most cases if they don't have a dedicated website they do have their own Facebook account which they use instead. Regardless of which route you take, the key is to make sure your content is easy to navigate and informative.

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

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

**Wages continue to grow behind inflation as measured by RPI**

**Boosted by being the England football teams official supermarket sales in Lidl were up +9.7%**

**Despite the World Cup, Wimbledon and warm weather, consumer confidence fell in the month**

## Economic Headlines

*These headlines are from our Economic Bulletin.*

CPI for June 2018 was +2.4% flat on +2.4% in May, good news for consumers and it may also delay the Bank of England raising interest rates.

Latest figures from the ONS show that unemployment remained

at 4.2%, as wage growth is now at its lowest level in 6 months.

The GDP estimate 3 months to May 2018 was +0.2%, modest growth driven by the services sector, which offset falling construction and industrial output.

CPI	+2.4%
RPI	+3.4%
CPIH	+2.3%

UNEMPLOYMENT	+4.2%
PAY	+2.5%

MAR - MAY GDP	+0.2%
TRADE BALANCE	(£8.3BN)
SERVICES	+£27.94BN

## Retail Headlines

*These headlines are from our Retail Bulletin.*

Retail sales rose +2.9% in June 2018 vs. June 2017, as the World Cup and hot weather resulted in mixed results across the retail sectors.

Although all 4 major sectors saw volume and value growth food led stores were the main

winners from the World Cup and good weather.

Latest 12 week figures saw the Grocery Market grow by +3.6%, as sales of alcohol surged to £287m for the week England played Columbia and Sweden.

RETAIL VOLUMES	+2.9%
RETAIL VALUES	+5.3%
INTERNET SALES	+14.3%

GROCERY MARKET	+3.6%
GROCERY INFLATION	+1.8%

Aldi	+10.9%
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## Consumer Spending Headlines

*These headlines are from our Consumer Spending Bulletin.*

Average family spending power was up £3 a week in June at £202, although this varies between age groups with 30 to 49 year-olds currently being the best off.

The estimated average mortgage debt in May

was £123,976, meaning the average annual interest paid would be £3,075 per household (based on a rate of 2.48%).

GfK's UK Consumer Confidence Index was (10) in July down (1) compared to June, as concerns about personal finances and especially the economy continue.

HOUSEHOLD INCOME	£785
TAXES & COST OF LIVING	£583
DISCRETIONARY	£202

HOUSEHOLD DEBT	£58,371
EXC MORTGAGES	£7,778

Overall Confidence	(10)
LY Personal Finances	+1
NY Personal Finances	+7

## Beer Update

Latest data from the British Beer & Pub Association shows that beer sales in Q2 2018 were up +3.6% on the same quarter a year ago.

The growth was driven by sales through Supermarkets & Convenience Stores as sales through Pubs, Bars & Restaurants fell.

Sales through Pubs, Bars & Restaurants in the UK in Q2 were down (1.0%). This compares to a decline of (1.9%) in Q1 this year and a decline of (0.1%) in Q2 in 2017.

Sales through Supermarkets & Convenience Stores in the UK in Q2 were up +7.7% compared to the same quarter last year.

This compares to a decline of (1.8%) in Q1 and a growth of +2.0% in Q2 in 2017.

Total sales on a MAT basis are up +0.4%.

Source: BBPA July 2018



**Sales through Pubs, Bars & Restaurants fell despite the World Cup and the good weather**

## Supermarket Update

Latest 12 week figures saw the Grocery Market grow by +3.6%, as sales of alcohol surged to £287m for the week England played Columbia and Sweden.

Grocery inflation is +1.8% for the 12 week period ending 15<sup>th</sup> July 2018.

Over the past month, football-frenzied

customers visited supermarkets an extra 13 million times as they hurried to stock up on World Cup-viewing essentials, with alcohol the stand-out winner.

Asda saw sales jump +3.7% to post its strongest growth in more than 5 years, and it was the best performing of

the big four for the 1<sup>st</sup> time since Dec-14.

Over the past 12 weeks Co-op grew by +6.4% – its highest recorded since October 2011.

Source: Kantar Worldpanel



**Christmas and Easter aside, the week that the England football team played both Colombia and Sweden saw more spent on alcohol than ever before – a colossal £287 million**

## Weather Summaries

For more months and years then simply go to:

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

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

JULY		
	<b>HOT</b>	Temp = +2.2
	<b>DRY</b>	Rain = 71
		Sun = 138
<ul style="list-style-type: none"> <li>Very warm or hot, dry &amp; sunny for most of the country</li> <li>2nd warmest July since 2010 with some rain late in the month</li> </ul>		

**July was very warm or hot, dry and sunny over a large majority of the country**

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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](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

August  
6<sup>th</sup> Bank Holiday (Scot)  
27<sup>th</sup> Bank Holiday (E&W)

September  
18<sup>th</sup>-19<sup>th</sup> Yom Kippur  
23<sup>rd</sup> Autumnal Equinox

### Licensed Trade

August  
3<sup>rd</sup>-5<sup>th</sup> London Craft Beer  
Festival  
7<sup>th</sup>-11<sup>th</sup> Great British Beer  
Festival Olympia

September  
11<sup>th</sup> Cider Group (London)  
20<sup>th</sup> Beer & Cider Marketing  
Awards (Lnd)  
20<sup>th</sup>-30<sup>th</sup> Cask Ale Week

### Sports

August  
10<sup>th</sup> Premier League Starts  
25<sup>th</sup> Rugby League Cup Final  
26<sup>th</sup> Belgian Grand Prix

September  
2<sup>nd</sup>-9<sup>th</sup> Cycling Tour Britain  
8<sup>th</sup> Eng vs Spain Football  
15<sup>th</sup> T20 Final Day (B'ham)  
28<sup>th</sup>-30<sup>th</sup> Ryder Cup (Paris)

## Ashdale Training Dates

### Helping Pubs & Bars Make More Money

Next Open Workshops  
5<sup>th</sup> September – Burton-on-Trent  
19<sup>th</sup> September - Burton-on-Trent

3<sup>rd</sup> October - Burton-on-Trent  
17<sup>th</sup> October - Burton-on-Trent

