Ashdale Business Consulting Ltd

April 2019

Ashdale Insights

INSIDE THIS ISSUE:

Can't see the wood for the trees

This month we ask how can operators better present their offer to align with the way that their customer's actually make decisions?

For a variety of reasons, I have had the good fortune to visit Sheffield over the last few years. Whilst I had been there on a number of occasions in the past, it wasn't a place that I was particularly familiar with. Finding oneself in relatively new surroundings can often be disorienting, not least when your train is delayed and you risk being late for an important meeting.

Continually having to look at a map either an old-fashioned paper version or on a smart-phone will help, although it's less than ideal when it's pouring with rain.

I was therefore very grateful to find that Sheffield has joined the growing number of towns and cities who have erected large local maps to help people navigate their way through what otherwise may seem like a labyrinth of inter-connecting streets and roads. As well as a basic street map and places of interest they quite often also have the added feature of walking times and distances – again, a godsend when one is running late.

This additional help, advice or sign-posting isn't by any means rocket science, however, when it comes to food and drink it does seem to be something which many operators often choose not to do or to do at a very superficial level.

So, what do I mean by that?

The drinks offer

Over many years, I have led numerous projects to better segment the drinks market. These pieces of work have been for sales and marketing teams, senior managers or pub and bar owners but not the end consumer.

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

www.ashdale-consulting.com

Large upward contributions came from recreation and culture, where prices rose by 3.1% on the year, and transport, where they rose by 3.0%

Economic Headlines

These headlines are from our Economic Bulletin.

CPI for February 2019 was +1.9% up on +1.8% in January, in part due to a rise in the prices of food and alcohol as the duty on wine went up on the 1st of February.

Latest figures from the ONS show that unemployment fell to 3.9%, as the number of people in work reached a new record high of 32.71 million.

The estimate for GDP for Q4 2018 was +0.2%, meaning that GDP for the full year was estimated to be +1.4% vs +2.1% for 2017.

CPI	+1.9%
RPI	+2.5%
CPIH	+1.8%

UNEMPLOYMENT	+3.9%
PAY	+3.4%

Q4 GDP	+0.2%
TRADE BALANCE	(£10.4BN)
SERVICES	+£27.65BN

Aldi achieved another new record high market share of 8.0% and now has more shoppers than Morrison's

Retail Headlines

These headlines are from our Retail Bulletin.

Retail sales rose +4.0% in February 2019 vs. February 2018, however Food Stores saw their biggest month-on-month fall since December 2016.

Unusually warm weather in February contributed to the rise in retail sales, said the ONS, boosting spending at garden centers and on sporting equipment.

Latest 12 week figures saw the Grocery Market grow by +1.4%, as shoppers have already spent £146m on Easter eggs and 42% of households have bought hot cross buns.

RETAIL VOLUMES	+4.0%
RETAIL VALUES	+4.3%
INTERNET SALES	+9.4%

GROCERY MARKET	+1.4%
GROCERY INFLATION	+1.5%
Aldi	+10.6%

Despite political chaos regrading Brexit consumer confidence has held steady this month

Consumer Spending Headlines

These headlines are from our Consumer Spending Bulletin.

Average family spending power was up £11 a week in January at £211, in pound terms the strongest increase since June 2016.

The estimated average mortgage debt in January was £129,126, meaning the average annual interest paid would be £3,202 per household (based on a rate of 2.48%).

GfK's UK Consumer Confidence Index was (13) in March flat compared to February, as consumers remain concerned over the general economy.

HOUSEHOLD INCOME	£800
TAXES & COST OF LIVING	£589
DISCRETIONARY	£211

HOUSEHOLD DEBT	£59,409
EXC MORTGAGES	£7,890

Overall Confidence	(13)
LY Personal Finances	+0
NY Personal Finances	+2

Wine Update

Latest data from the HMRC shows that still wine returns for December 2018 were down (10.3%) versus December the previous year.

This combined with October down (4.6%) and November up +0.3% meant that Q4 was down (4.7%) vs. 2017.

This means that the current MAT is down (1.9%) vs. the same quarter in 2017.

Sales of sparkling wines in December were down (6.3%).

Combined with increases in October of +20.7% and declines of (8.7%) in November meant Q4 finished down (1.2%) vs. 2017.

This means that the current MAT is declining by (1.4%) following over 6 years of growth.

Total Wine is down (1.9%) on a MAT basis.

So

Sparkling wine sales continue to see year-on-year declines following over 6 years of growth

Pub & Bar Update

Fuller, Smith & Turner PLC has announced the departure of management personnel following the sale of its entire beer business to Asahi Europe Ltd. Simon Dodd will resign as a director on 30th April 2019 and Jonathan Swaine will resign as a director on 11th October 2019.

The BBPA and UKHospitality has warned that PPL's decision to introduce a new tariff for hospitality businesses could be the final straw for the UK's hard-pressed music venues. This new tax will see venues hit with an average 130% increase, which could cost the hospitality sector upwards of £49m.

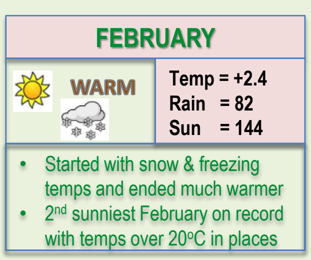
Average consumer spend on a night out has risen by 15.5% to £68.68, up from £59.49 last year, according to the Deltic Night Index.

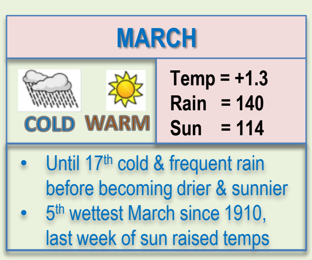
As well as spending more, consumers are also going out slightly more often and staying out for slightly longer compared to last year

Weather Summaries

For more months and years then simply go to:

www.ashdale-consulting.com





Storms Freya and Gareth brought spells of particularly wet and windy weather for much of the country

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Helping clients…

Sell More
Charge More
Lower Costs

About Ashdale Business Consulting

I help my clients ***sell more***, ***charge more*** and ***lower costs***.

Having been a client myself I understand you always have ***more things which need doing*** than you ever have time for. Sometimes you also need ***additional skills*** or ***experience*** to complement those already in your organisation.

Sound familiar?

That's where help. I provide an independent flexible resource to draw from on just those occasions. I work across a range of different industry sectors providing ***analysis***, ***insight*** and ***strategic thinking***, however I specialise in helping the UK alcohol and hospitality sector.

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 my website:

www.ashdale-consulting.com

Dates and Events for Your Diary

General

April
8th London Emission Charge
19th Good Friday
21st Easter Sunday
23rd St George's Day

May
6th Early Bank Holiday
2nd Local Council Elections
23rd EU Elections
27th Spring Bank Holiday

Licensed Trade

April
4th-7th We Are Lager (Man)
8th-10th National Convenience Show (NEC)
29th UK Coffee Week

May
13th-19th Vegetarian Week
22nd Pub & Bar Awards

Sports

April
6th Grand National (Aintree)
7th Boat Race (Lnd)
11th-14th Masters Golf (USA)
28th London Marathon

May
2nd-5th Tour de Yorkshire
18th FA Cup Final
25th-27th EFL Play-offs
29th Europa League Final
30th Cricket WC Starts

Ashdale Training Dates

Helping Pubs & Bars Make More Money

Next Open Workshops – 2019

For more information click here.

19th June	9th July
25th June	25th July

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