Ashdale Business Consulting Ltd

December 2019

Ashdale Quarterly Newsletter

INSIDE THIS ISSUE:

Attracting new and different customers

This quarter we ask are operators missing opportunities to attract new customers?

No matter what type of retail operation you are running there is usually a genuine belief by the management that once a customer has come through the door and experienced the offer they will have no hesitation on returning time and time again. Of course in the cold light of day this is over simplistic and probably somewhat naïve. That said many operators seem to believe this to be the case whereas in reality this is far from the truth.

Assuming the above is broadly true then day to day operational issues and challenges aside; getting 'new' customers in through the door is the single most important things that any outlet needs to focus on. While traditional methods such as advertising obviously can have a role to play, they can be expensive and not right for everyone. One way operators have looked to address this and particularly when it comes to attracting millennials etc. is to make more use of social media such as Facebook and Twitter. Again nothing wrong with that but today I would offer up some additional and complementary ways in which to get the message out there about what you can offer and how good you are.

Experiential marketing

There are a few different definitions of what experiential marketing is but for our purpose let's view it as "creating a closer bond between potential customers and your retail brand by immersing them in a fun and memorable experience". At its basic level this may also be regarded as just great PR.

There are a number of alternative ways in which you can engage in these sorts of activities but in this instance I would like to focus on showcasing your offer at alternative locations and events.

The purpose of this approach is to interact with and involve potential customers you may not usually come across. So what might this look like?

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

www.ashdale-consulting.com

The outlook for beer sales currently looks positive however sales in Q4 last year were also good so year-on-year comparisons may suffer in the next auarter

Beer Update

Latest data from the British Beer & Pub Association shows that beer sales in Q3 2019 were up +4.2% on the same quarter a year ago.

The growth was driven by sales through Supermarkets & Convenience Stores although sales through Pubs, Bars & Restaurants also grew.

Sales through Pubs, Bars & Restaurants in the UK in Q3 were up +2.0%. This compares to a decline of (2.8%) in Q2 this year and a growth of +1.5% in Q3 in 2018.

Sales through Supermarkets & Convenience Stores in the UK in Q3 were up +6.0% compared to the same quarter last year.

This compares to a decline of (1.7%) in Q2 and growth of +6.2% in Q3 in 2018.

Total sales on a MAT basis are up +1.7%.

Source: BBPA October 2019

This is the first time Cider returns on a MAT basis have been in growth since July 2018

Cider Update

Latest data from HMRC shows that cider returns in Q3 2019 were up +0.7% on the same quarter a year ago.

The quarter started off well as returns in July were up +1.6% vs. July last year.

This positive performance continued as returns in August were up +8.0% vs August 2018.

The quarter ended poorly as the returns for September were down (7.6%) compared to September last year.

A result of this has been that Cider returns on a MAT are up very slightly at +0.1%.

These numbers are for traditional apple Ciders only. Fruit based Cider volumes are categorized as Made-Wine for duty by HMRC.

Source: HMRC November 2019

Although there are a number of reasons for the decline in wine sales, the continued success of gin must be a contributing factor

Wine Update

Latest data from the HMRC shows that still wine returns for September 2019 were down (1.1%) versus September the previous year.

This combined with July down (5.4%) and August down (3.6%) meant that Q3 was down (3.4%) vs. Q3 2018.

This means that the current MAT is down (3.3%) vs. the same time last year.

Sales of sparkling wines in September were up +12.6%.

Combined with a decline in July of (11.1%) and a decline of (15.7%) in August meant Q3 finished down (5.7%) vs. Q3 2018.

This means that the current MAT is in decline of (4.1%).

Total wine sales have now been in decline on a MAT basis since August 2018.

Source: HMRC August 2019

Pubs & Bars Update

A nationwide study has revealed that 61% of British adults will be cutting down on booze this festive season, compared to last year. When it comes to wider festivities, 68% of the nation's workers plan to stay sober at the office Christmas party. The study of 2,000 British adults, conducted by non-alcoholic gin brand CEDERS, found that 46% of Brits believe we are drinking less than ever.

Wetherspoon has revealed that it plans to invest more than £200m into its pub estate over the next four years. The majority of investment will be channeled into developments in small and medium sized towns, as well as larger towns and cities.

Robinsons Brewery has purchased the six-strong pub group Individual Inns, which will grow their managed pub estate to 20 sites.

The Robinsons acquisition will also add to their estate in Cumbria, as well as moving into Yorkshire, a previously untapped county for the brewer

Casual Dining Update

Research has revealed that 30% is the magic number when it comes to using discount to drive diners through the door in January. A survey from HGEM into driving footfall says that 30% is the sweet spot for all generations other than Baby Boomers, who have a lower expectation at 20%.

Consumer restaurant spend declined by 5.2% last month, takeaways and fast food transactions saw a rise of 11.4%. As the colder weather and longer nights arrived, it seems diners took advantage of food delivery apps over venturing out for a meal.

Over half of diners would like more meat-free options when eating out, with 71% seeking more healthy meals. The report by Nestlé Professional, surveyed 1,000 consumers in the UK.

Consumers are conscious of the sustainability of the food they eat out, with 55% of those surveyed preferring restaurants with better eco-credentials

Supermarket Update

Latest 12 week figures show the grocery market +0.5% vs. +1.0% last month. Grocery inflation is +0.8% for the 12 week period ending 1st December 2019

Sales growth of 9.3% during the past 12 weeks propelled Lidl to a new record high market share of 6.1%. 11.9 million shoppers visited one of their stores in the past three months – that's 652,000 more than this time last year.

The four largest grocers came under further pressure this period with their collective market share dropping to 67.7%, compared with 69.1% this time last year.

Ocado continued to be the fastest growing grocer, with sales 13.7% higher than this time in 2018. The online retailer is particularly popular in London, its market share in the capital is now 2.6%, almost double its level of 1.4% nationally.

We're yet to see consumers ramp up their spending in the run up to Christmas and, as anticipated, Black Friday only brought a limited boost for the grocers

Helping clients…

Sell More
Charge More
Lower Costs

Dates and Events for Your Diary

General

January
1st New Year's Day
2nd New Year Holiday (Scot)
25th Burns Night
25th Chinese New Year (Rat)

February
14th Valentine's Day
25th Shrove Tuesday
Possible Budget

March
1st St David's Day
17th St Patrick's Day
22nd Mother's Day
29th Clocks Go Back

Licensed Trade

January
29th National Breakfast & Brunch Awards

February
4th-5th Pub 20
19th National Burger Awards
27th-29th BrewLND

March
11th-12th Beer X (SIBA)
25th-26th Casual Dining Show

Sports

January
20th-2nd Tennis Open (Aus)

February
2nd Super Bowl (USA)

March
1st League Cup Final (Lnd)
15th Grand Prix (Aus)
22nd Grand Prix (Bahrain)

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

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

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

Ashdale Business Consulting