

Ashdale Insights

INSIDE THIS ISSUE:

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

Meals on wheels

This month we ask are operators missing out by not using third party delivery services?

Let's be honest, there is nothing new in ordering take-away food. Not long after I moved into my first flat one of my guilty pleasures use to be ordering a meal for one from the local Chinese restaurant, even though it was no more than a 10 minute walk from my front door. Back then of course the choice of takeaways meals was quite limited with the only real alternative to Chinese being a curry or in some parts of the country a pizza.

This started to change through the 1990s as operators such as Domino's and Papa Johns started to provide fully integrated delivery services accessed via a phone call. Over the years developments in technology and access to the internet has meant more and more operators have now entered this market place. A significant change in recent years



has been with the emergence of third party ordering and delivery services such as Just Eat, Deliveroo and Uber Eats. So what is all the fuss about?

According to the MCA Foodservice Delivery Report, the food delivery market in the UK was worth £8.1bn in 2018, up over 13% on 2017. This equates to around 851m meals with an average spend per meal of around £9.50. If current trends continue then the MCA predict that the market will be worth nearly £10.0bn by 2021.

So are operators missing out if they aren't delivering food to our

doors?

A smaller slice of the cake...

The hospitality industry is full of examples where operators have seen a trend and then tried to ride on the back of it. Whilst this can work it is not always a recipe for success. What might be appropriate for one type of operation and offer, may not work for someone else. The same will be true when it comes to using a third party delivery service.

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

www.ashdale-consulting.com

The largest downward contribution this month came from restaurants and hotels, as well as alcohol and tobacco

The 4 largest grocers continue to come under pressure as their collective market share dropped to 67.7%

There is a clear sense of change in consumer sentiment this month

Economic Headlines

These headlines are from our Economic Bulletin.

CPI for November 2019 was +1.5% flat on +1.5% in October, this remains below the Bank of England target rate of 2.0% but could rise depending on Brexit negotiations.

Latest figures from the ONS show that the

unemployment rate remained at 3.8%, although wage growth excluding bonuses slipped back slightly.

The latest estimate for GDP for the 3-months to September 2019 (Q3) was +0.4%, this shows a slight rise from the previous estimate.

CPI	+1.5%
RPI	+2.2%
CPIH	+1.5%

UNEMPLOYMENT	+3.8%
PAY	+3.2%

Q3 GDP	+0.4%
TRADE BALANCE	(£7.18BN)
SERVICES	+£28.37BN

Retail Headlines

These headlines are from our Retail Bulletin.

Retail sales rose +1.0% in November 2019 vs. November 2018, with this figure being impacted by the non-inclusion of Black Friday sales.

Retail sales were poor in November with shoppers keeping a tight grip on spending amid

uncertainty about Brexit and ahead of the December election.

Latest 12 week figures saw the Grocery Market grow +0.5%, as Lidl reached a record market share of 6.1% with 11.9 million shoppers in the past 12 weeks.

RETAIL VOLUMES	+1.0%
RETAIL VALUES	+1.3%
INTERNET SALES	(0.7%)

GROCERY MARKET	+0.5%
GROCERY INFLATION	+0.8%
Lidl	+9.3%

Consumer Spending Headlines

These headlines are from our Consumer Spending Bulletin.

Average family spending power was up £14 a week in October at £219, this is a three and a half year high as inflation falls to +1.5%.

The estimated average mortgage debt in October was £131,383, meaning

the average annual interest paid would be £3,140 per household (based on a rate of 2.39%).

GfK's UK Consumer Confidence Index was **(11)** in December, driven in part by a more optimistic outlook for the economy over the next 12 months.

HOUSEHOLD INCOME	£820
TAXES & COST OF LIVING	£601
DISCRETIONARY	£219

HOUSEHOLD DEBT	£59,840
EXC MORTGAGES	£8,088

Overall Confidence	(11)
LY Personal Finances	(3)
NY Personal Finances	+2

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



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

Pubs & Bars Update

Over £8bn worth of deals has been transacted in the UK pub sector in 2019, according to Colliers International's pubs team. The largest 2019 pub deal was in August when Hong Kong-based CKA Group bought Greene King for £4.6bn. Stonegate also announced in July 2019 that it was buying Ei

Group for £2.9bn.

Chefs are being challenged to create a new dish to appeal to the growing number of vegan customers eating out, with the launch of the Oliver Kay National Vegan Dish of the Year 2020.

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.



These are set to include new pubs in Bourne, Waterford, Hamilton, Ely, Diss, Felixstowe, Newport Pagnell and Prestatyn

Weather Summaries

For more months and years then simply go to:

www.ashdale-consulting.com

NOVEMBER	
COLD 	Temp = (0.9) Rain = 97 Sun = 84
<ul style="list-style-type: none"> Started mild and unsettled before getting wetter and colder Some localised flooding in parts of the Midlands and the North 	

DECEMBER	
  WARM	Temp = +1.3 Rain = 116 Sun = 113
<ul style="list-style-type: none"> Wetter than average particularly in the South & East Anglia Above average sunshine helped to boost temperatures 	

December overall was rather mild, with only limited colder interludes and fewer frosts than average

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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

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

Licensed Trade

January

29th National Breakfast &
Brunch Awards

February

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

Sports

January

20th-2nd Tennis Open (Aus)

February

2nd Super Bowl (USA)

Ashdale Training Dates

Helping Pubs & Bars Make More Money

No more Open Workshops in 2019_

For more information [click here](#).