

Ashdale Insights

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Location, Location, Location

This month we ask do operators take into account where they are as much as they should when considering their offer?

A few years ago I was doing some work with a licensed café bar. The bar was actually in an old church and as you can imagine the building was something very special including a number of stained glass windows. Due to the church's size and a slightly complicated ownership structure the bar shared the building with a number of other small businesses including a hairdresser and barbers.

Whilst not ideal on a more positive note one would have thought that by having multiple non-competing multiple businesses in the same place would have helped drive traffic for all concerned. I couldn't have been more wrong. The hairdressers offered free coffee to its clients which didn't help the café and the barbers was very much looking at customers on a budget,



so spending more than they had to wasn't really an option.

The other issue or rather the main issue the bar had was its location. Although not that far from the town centre it was located in a side street and as such had absolutely no passing trade. If you didn't know the place was there then it was unlikely you would pay it a visit. As a result word of mouth and social media activity was crucial to driving footfall. Despite continually telling the bar owners of the importance of this they chose to focus on other aspects of the business. I am sad to say that as a result of the low

footfall they decided to move on to do other things.

Whilst it's not always possible to choose the ideal location for your venue, it is vitally important that operators understand any limitations on where they might be and whenever possible try and turn these disadvantages into opportunities.

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

www.ashdale-consulting.com

The largest downward contributions this month came from utilities especially gas which saw prices reduce by 3.5% vs a rise of +9.3% last year

Shoppers staying closer to home benefitted the Co-op, who saw sales up +30.8%, as well as independents

As unemployment claims rise and the possibility of tax hikes on the horizon confidence is likely to remain fragile for some time

Economic Headlines

These headlines are from our Economic Bulletin.

CPI for April 2020 was +0.8% down on +1.5% in March, this is its lowest level since August 2016 as the economic fallout of Covid-19 hits prices.

Latest figures from the ONS shows that the unemployment rate was 3.9%, however this

doesn't really reflect changes in the economy post lockdown.

The latest estimate for GDP for the 3-months to March 2020 was **(2.0%)**, as March fell by **(5.8%)** as a result of the Covid-19 lockdown restrictions.

CPI	+0.8%
RPI	+1.5%
CPIH	+0.9%

UNEMPLOYMENT	+3.9%
PAY	+3.4%

3-Mth to Mar-20 GDP	(2.0%)
TRADE BALANCE	(£4.77BN)
SERVICES	+£23.35BN

Retail Headlines

These headlines are from our Retail Bulletin.

Retail sales were down at **(22.6%)** in April 2020 vs. April 2019, as internet sales surged, up +32.9% vs. the same month last year.

The growth in Food-led stores continued albeit at more sensible levels as the fear of shortages

declined and shopping patterns returned to some normality.

Latest 12 week figures saw the Grocery Market grow +14.3%, with nearly one in five households placing an online order in the most recent four weeks.

RETAIL VOLUMES	(22.6%)
RETAIL VALUES	(23.1%)
INTERNET SALES	+32.9%

GROCERY MARKET	+14.3%
GROCERY INFLATION	+3.1%

Co-op +30.8%

Consumer Spending Headlines

These headlines are from our Consumer Spending Bulletin.

Average family spending power was down **(£1)** a week in March at £211, the joint-worst performance since April 2017 as wage growth slowed.

The estimated average mortgage debt in January

was £132,242, meaning the average annual interest paid would be £3,134 per household (based on a rate of 2.37%).

No update this month

GfK's UK Consumer Confidence Index was **(34)** in May flat on April as the country remains concerned about the economy and we adapt to a 'new normal'.

HOUSEHOLD INCOME	£813
TAXES & COST OF LIVING	£602
DISCRETIONARY	£211

HOUSEHOLD DEBT	£60,363
EXC MORTGAGES	£8,082

Overall Confidence	(34)
LY Personal Finances	(4)
NY Personal Finances	(9)

Cider Update

Latest data from HMRC shows that cider returns in Q1 2020 were down **(10.9%)** on the same quarter a year ago.

The quarter started off poorly as returns in January were down **(19.2%)** vs. January the previous year.

This performance picked up somewhat as returns

in February were up +8.3% vs. February 2019.

The quarter came to an end with returns for March down at **(22.2%)** compared to March 2019.

A result of this has been that Cider returns on a MAT are now in decline at **(2.4%)**.

These numbers are for traditional apple Ciders

only. Fruit based Cider volumes are categorized as Made-Wine for duty by HMRC.

Source: HMRC May 2020



Cider returns suffered as did other drink categories as the on trade shut-down towards the end of March

Casual Dining Update

Patty purveyor Honest Burgers is swapping beef for birds at a new chicken-centric concept launching at its King's Cross restaurant this week. Honest Chicken will exclusively serve chicken burgers and sides, launching initially as a takeover of the group's King's Cross restaurant from today, with plans to

launch further sites in the future.

A hospitality industry campaign has asked the government to help restaurants and bars work with social distancing guidelines by permitting more al fresco drinking and dining this summer. Being allowed to open up al fresco would enable

restaurants to set up tables the minimum two meters apart in an outdoor environment where diners are thought to be far less at risk of being infected by coronavirus.



The UK Grand Outdoor Summer Cafe: Government could allow more al fresco dining to help restaurants with social distancing

Weather Summaries

For more months and years then simply go to:

www.ashdale-consulting.com

APRIL	
DRY <small>WINDY</small>	Temp = +1.7 Rain = 40 Sun = 151
<ul style="list-style-type: none"> • Mostly fine and settled, although some easterly winds at times • 5th warmest April since 1884 and sunniest since 1929 	

MAY	
DRY	Temp = +1.0 Rain = 47 Sun = 143
<ul style="list-style-type: none"> • Exceptionally dry month over E&W, some rain in Scotland • The sunniest May since 1929 with over 300 hours in places 	

High pressure dominated bringing generally dry, sunny and warm weather across the month

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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

June

13th Queens Official Birthday
20th Summer Solstice
21st Father's Day

July

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

Licensed Trade

June

No events due to the
Coronavirus lockdown

July

4th Potential Some
Hospitality Allowed
to Open

Sports

June

17th Premier League Starts
27th-28th FA Cup Qtrs

July

5th Austrian Grand Prix
19th British Grand Prix
11th-12th FA Cup Semi's
31st Snooker World
Championship

Ashdale Training Dates

Helping Pubs & Bars Make More Money

No current Open Workshops in 2020

For more information [click here](#).



*Events and Sports are subject to postponement/cancellation due to the Coronavirus