

Ashdale Quarterly Newsletter

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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 impact of Covid-19 Pub, Bar & Restaurant closures started to impact beer sales at the end of Q1 2020

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

The continued slump in Champagne sales has been made worse by the Covid-19 pandemic

Beer Update

Latest data from the British Beer & Pub Association shows that beer sales in Q1 2020 were down (7.2%) on the same quarter a year ago. The decline was driven by sales through Pubs, Bars & Restaurants as sales through Supermarkets & Convenience Stores increased in the quarter.

Sales through Pubs, Bars & Restaurants in the UK in Q1 were down (16.4%). This compares to declines of (1.5%) in Q4 last year and a decline of (0.8%) in Q1 in 2019.

Sales through Supermarkets & Convenience Stores in the UK in Q1 were up +1.8% compared to the same quarter last year.

This compares to an increase of +3.2% in Q4 and growth of +3.8% in Q1 in 2019.

Total sales on a MAT basis are down (3.3%).

Source: BBPA April 2020



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



Wine Update

Latest data from the HMRC shows that still wine returns for March 2020 were down (6.3%) versus March the previous year.

This combined with January up +6.5% and February up +4.1% meant that Q1 was up +0.4% vs. 2019.

This means that the current MAT is down

(2.2%) vs. this time last year.

Sales of sparkling wines in March were down (22.9%).

Combined with a decline in January of (8.1%) and decline of (2.3%) in February meant Q1 finished down (12.0%) vs. 2019.

This means that the

current MAT is in decline of (6.2%).

Fortified wine is also struggling.

Source: HMRC May 2020



Pubs & Bars Update

Pubs with beer gardens are likely to be among the first venues in the hospitality sector to reopen when coronavirus restrictions are eased, the Environment Secretary has confirmed. George Eustice said there would be no changes until “at least” July when he expected pubs and restaurants with outdoor

areas would be the only ones able to welcome customers again.

Carlsberg and Marston’s have announced a joint venture. Under the deal, the Danish firm will own 60% of the new Carlsberg Marston’s Brewing Company with Marston’s holding 40% and receiving a cash payment of up to £273m. The new

business will be able to feed Carlsberg beers as well as existing Marston brands such as Hobgoblin and Pedigree into Marston’s estate of around 1,400 UK pubs.



The JV is valued at £780m, with the deal including Marston's six breweries and distribution depots, but not its 1,400 pubs

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

Supermarket Update

Latest 12 week figures show the grocery market +14.3% vs. +9.1% last month. Grocery inflation is +3.1% for the 12 week period ending 17th May 2020.

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

Online shopping now accounts for 11.5% of all grocery sales, having gained more shoppers in 2020 than in the previous five years. Nearly 1 in five British households ordered groceries online in the most recent four-week period –1.6 million more than this time last year. A major barrier to online shopping had been

doubts over the freshness of produce picked by the supermarkets. Evidence suggests this is now being overcome based on recent experiences.

Source: Kantar World Panel



Can Britain’s supermarkets hold on to online shoppers after lockdown?

Helping clients...

**Sell More
Charge More
Lower Costs**

Dates and Events for Your Diary

General

July

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

August

3rd Bank Holiday (Scot)
31st Bank Holiday (E&W)

September

22nd Autumn Equinox
28th Yom Kippur

Licensed Trade

July

4th Potential Some
Hospitality Allowed
to Open

August

13th National Prosecco Day
16th National Rum Day
27th National Burger Day

September

All Events TBC

Sports

July

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

August

1st FA Cup Final

September

24th French Tennis Open
25th-27th Ryder Cup

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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:

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