

Ashdale Insights

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Judging A Book By Its Cover

This month we ask do operators put customers off by not giving enough attention to the outside of their venues?

Not that long ago I had the pleasure of attending a meeting held by the microbrewers that operate in the Midlands region. The meeting was held in the Brunswick Pub, a mere 5 minute walk away from Derby railway station and definitely worth a visit if you ever get the opportunity.

After the meeting we then had the opportunity to explore a number of pubs in and around Derby city centre.

As we approached a certain pub I couldn't help feeling somewhat underwhelmed. On entering the pub I couldn't have been more surprised. Highlights included a bar with an open fire as well as partitioned rooms leading off the bar including a wooden-settled snug with old-fashioned range. Two other things leapt out.



The pub was full, we had to stand, something we hadn't had to do anywhere else to that point and there was also a steady stream of food being delivered from the kitchen to customers of all ages – no stereo typical consumers here.

A few quick questions soon revealed that this outlet was run by Secret Dining Co., who take pride in serving real ales and cutting edge British cuisine. They aim to provide “the charm of a rural pub in the urban sprawl of the City Centre”.

Whilst in this instance the low key nature of the outside signage etc. is

probably deliberate it did get me thinking as to how many operators risk putting off customers by not giving enough attention to the outside of their venues?

Not everyone likes surprises...

When it comes to choosing a place to eat or drink many customers still make snap judgments, often based on how your venue looks from the outside.

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

www.ashdale-consulting.com

Pay (including bonuses) fell by (1.2%) on a year earlier, private sector pay fell by (2.4%) and public sector pay grew by 4.1%

The Co-op continued to perform well benefitting from the fact that shoppers want to stay quite local

Employment is now a big issue as the pandemic has ended years of job security for many with the added issue of a no-deal Brexit becoming more likely

Economic Headlines

These headlines are from our Economic Bulletin.

CPI for July 2020 was +1.1% up on +0.6% in June, this increase in part was a result of measures put in place to contain Covid-19 which added to business costs.

Latest figures from the ONS shows that the unemployment rate

remained at 3.9%, as pay fell by (1.2%) as a result of employees being furloughed.

The latest estimate for GDP for the 3-months to Jun 2020 (Q2) was (21.7%), with private consumption accounting for 70% of the fall in expenditure.

CPI	+1.0%
RPI	+1.6%
CPIH	+1.1%

UNEMPLOYMENT	+3.9%
PAY	(1.2%)

3-Mth to May-20 GDP	(21.7%)
TRADE BALANCE	+£18.80BN
SERVICES	+£29.28BN

Retail Headlines

These headlines are from our Retail Bulletin.

Retail sales were up at +1.4% in July 2020 vs. July 2019, internet sales continued to show strong growth as bricks and mortar retail begins to recover.

The growth in Food-led stores has started to return to more normal

levels in July, with declines in Non-Food reducing significantly as stores re-open.

Latest 12 week figures saw the Grocery Market grow +14.4%, as shoppers made fewer trips to store following the introduction of mandatory face coverings.

RETAIL VOLUMES	+1.4%
RETAIL VALUES	+0.7%
INTERNET SALES	+54.1%

GROCERY MARKET	+14.4%
GROCERY INFLATION	+2.9%

Co-op +22.4%

Consumer Spending Headlines

These headlines are from our Consumer Spending Bulletin.

Average family spending power was down (£8) a week in July at £209, all household groups continue to see annual falls in their income with under 30s hit hardest.

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 (27) in August flat vs July, as the prospect of an unemployment crisis fueling concerns about the UK economy.

HOUSEHOLD INCOME	£808
TAXES & COST OF LIVING	£599
DISCRETIONARY	£209

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

Overall Confidence	(27)
LY Personal Finances	(5)
NY Personal Finances	+1

Cider Update

Latest data from HMRC shows that cider returns in Q2 2020 were down (19.6%) on the same quarter a year ago.

The quarter started off poorly as returns in April were down (36.1%) vs. April the previous year.

This performance recovered a little as returns in May were only

down (8.2%) vs. May 2019.

The quarter came to an end with returns for June down at (12.6%) compared to June 2019.

A result of this has been that Cider returns on a MAT are now in decline at (8.8%).

These numbers are for traditional apple Ciders

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

Clearly Covid-19 restrictions have played a part in this performance.

Source: HMRC August 2020



More cider is typically sold through Supermarkets rather than Pubs and as such it doesn't seem to have seen the same declines as beer

Casual Dining Update

Diners used the Eat Out to Help Out scheme more than 64m times in its first 3 weeks, according to the latest Treasury figures.

The scheme offered customers in restaurants, pubs and cafes 50% off their meal per head, up to a maximum of £10 during August with some 87,000 restaurants signed up to the initiative. A number

of operators are planning to continue with the scheme or variations of it at a cost to themselves during September.

New research has shown that gourmet burgers will remain a firm fixture in the 'new normal', with love for this classic staple remaining as strong as it was pre-lockdown.

Pizza Express has revealed plans to close almost a fifth of its UK restaurants under a financial restructuring that places 1,100 jobs at risk.



Pizza Express plans would see 73 of its 470 restaurants close permanently following the deep disruption to trading caused by the coronavirus lockdown and the resulting high street jobs crisis

Weather Summaries

For more months and years then simply go to:

www.ashdale-consulting.com

JULY	
	Temp = (0.8) Rain = 122 Sun = 83
<ul style="list-style-type: none"> Mainly cloudy with showers & longer spells of rain Some regional hot weather towards the end of the month 	

AUGUST	
	Temp = +1.0 Rain = 135 Sun = 88
<ul style="list-style-type: none"> Started cloudy, between 6th-13th quite hot, then showers & rain 3rd highest August temperatures since 1884 	

Storms Ellen and Francis brought especially wet and windy weather across the country on the 20th-22nd and 25th

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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

September

22nd September Equinox
25th Macmillan Coffee
Morning

October

23rd Breast Cancer Now Day
25th Daylight Saving
31st Halloween

Licensed Trade

September

11th – 13th Virtual GBBF
24th Cask Ale Week

October

1st World Vegetarian Day
1st-4th Indy Beer (Man)
7th National Curry Week
25th World Pasta Day

Sports

September

5th Iceland v England
6th Italian Grand Prix
8th Denmark v England
12th Premier League Starts
17th-20th US Golf Open

October

4th London Marathon
8th England v Wales
11th England v Belgium
14th England v Denmark
15th-18th PGA Golf
17th Rugby League Final

Ashdale Training Dates

Helping Pubs & Bars Make More Money

No current Open Workshops in 2020

For more information [click here](#).



*Events and Sports maybe subject to postponement or cancellation due to the Coronavirus