# **Ashdale Insights**

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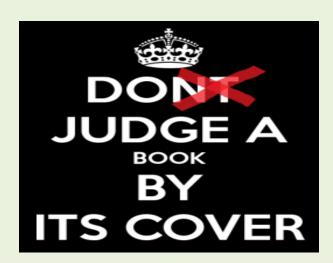
## Judging A Book By Its Cover

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 woodensettled snug with oldfashioned 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

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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

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## 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.



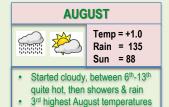
Pizza Express plans would see 73 of its 470 restaurants close permanently following the deep disruption to trading caused by the coronavirus lockdown and the resulting high street jobs crisis

## **Weather Summaries**

For more months and years then simply go to:

www.ashdale-consulting.com





since 1884

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

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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

22<sup>nd</sup> September Equinox 25<sup>th</sup> Macmillan Coffee Morning

### **Licensed Trade**

### September

11<sup>th</sup> – 13<sup>th</sup> Virtual GBBF 24<sup>th</sup> Cask Ale Week

## **Sports**September

5<sup>th</sup> Iceland v England 6<sup>th</sup> Italian Grand Prix 8<sup>th</sup> Denmark v England

12<sup>th</sup> Premier League Starts 17<sup>th</sup>-20<sup>th</sup> US Golf Open

### <u>October</u>

23<sup>rd</sup> Breast Cancer Now Day 25<sup>th</sup> Daylight Saving 31<sup>st</sup> Halloween

### October

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

### October

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

## Ashdale Training Dates

**Helping Pubs & Bars Make More Money** 

No current Open Workshops in 2020

For more information <u>click here</u>.



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