

Ashdale Quarterly Newsletter

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Judging A Book By Its Cover

This quarter 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

Pub, Bar & Restaurants were closed throughout Q2, with Supermarkets etc. picking up about 40% of the lost volume

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

Overall wine sales performed well during Q2, helped by their strong Supermarket presence during lock-down

Beer Update

Latest data from the British Beer & Pub Association shows that beer sales in Q2 2020 were down (19.6%) on the same quarter a year ago. The decline was driven by sales through Pubs, Bars & Restaurants following the Covid-19 shutdown. Sales through Pubs, Bars & Restaurants in the UK

in Q2 were down (95.5%). This compares to a decline of (18.1%) in Q1 this year and a decline of (2.8%) in Q2 2019. Sales through Supermarkets & Convenience Stores in the UK in Q2 were up +39.6% compared to the same quarter last year. This compares to growth of +1.8% in Q1 this year and

a decline of (1.7%) in Q2 in 2019. Total Q2 sales were down (19.6%) vs. Q2 last year with the MAT now down (5.4%).

Source: BBPA August 2020



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



Wine Update

Latest data from the HMRC shows that still wine returns for June 2020 were up +16.6% versus June the previous year.

This combined with April up +14.6% and May up +16.0% meant that Q2 was up +15.7% vs. 2019.

This means that the current MAT is up +2.9% vs. this time last year.

Sales of sparkling wines in June were down (9.8%). Combined with a decline in April of (7.5%) and growth of +0.8% in May meant Q2 finished down (5.3%) vs. 2019.

This means that the current MAT is in decline of (6.1%).

Fortified wine saw an increase during Q2 up

+6.5% vs. 2019 with the MAT now at +3.2%.

Source: HMRC August 2020



Pubs & Bars Update

Greene King has recorded its highest ever number of new applications to run a leased or tenanted pub across June, July and August. At the height of lockdown, there were 108 applications, and from 22 June to 16 August this number increased to 254, more than double the amount for same period in 2019.

The Inn Collection Group has taken its pubs with rooms portfolio to 15 after the purchase of a fifth Lake District site. Bizarrely, 8% of consumers believe the Eat Out to Help Out scheme has been a failure, with 18% saying they think it was right to end the initiative on 31st August. The online

research by Savanta also found that the majority (63%) of the British public think that the government's scheme has been a success.



“The Eat Out to Help out scheme provided a little bit of light in a dark time,” says Chris Hopkins, associate director at Savanta

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

Supermarket Update

Latest 12 week figures for the period ending 9th August 2020 saw the Grocery Market grow +14.4%, as shoppers made fewer trips to store following the introduction of mandatory face coverings.

The plastic bag charge will be doubled to 10p and extended to all shops across England from April

2021. The 5p charge was introduced in 2015 and is credited with a 95 per cent fall in plastic bag sales in supermarkets.

Manchester United star Marcus Rashford has launched a taskforce with a raft of major supermarkets and suppliers to try to reduce child food poverty. Aldi, Asda, Co-op, Deliveroo,

Iceland, Kellogg's, Lidl, Sainsbury's, Tesco and Waitrose have all joined the taskforce.

Source: Kantar World Panel



The taskforce has supported 3 proposals put forward by the National Food Strategy

Helping clients...

**Sell More
Charge More
Lower Costs**

Dates and Events for Your Diary*

General

October

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

November

3rd USA Election
5th Bonfire Night
8th Remembrance Sunday
26th Thanksgiving (USA)
27th Black Friday
30th St Andrews Day (Scot)

December

21st December Solstice
25th Christmas Day
28th Bank Holiday

Licensed Trade

October

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

November

18th-21st Robin Hood Festival
(Nottingham)
21st-24th Taste of Xmas (Lnd)

December

8th-9th Taste of Xmas (Lnd)
15th UKH Lunch (Ldn)

Sports

October

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

November

12th Masters (Augusta)
15th Belgium v England
18th England v Iceland

December

20th Scottish Cup Final

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

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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:

www.ashdale-consulting.com

