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## The growth of the hybrid

*This quarter we ask Is there an opportunity for some operators to provide more than just their core food & beverage as part of a more creative offer??*

Back in the day most big cities had their own flagship department store. Growing up in the North West, for me that was Kendal Milne in Manchester, in Newcastle it was Fenwick's and in Birmingham it was Rackham's, not forgetting the likes of Harrods and Selfridges in London. The highlight of a visit to one of these was often the chance to have something to eat or at least a coffee in their onsite eatery or cafes. For some reason it always felt slightly more special than if we had just gone to a 'normal' restaurant.

Although many of these are now part of bigger groups or indeed closed, the concept is alive and well. It has been developed further by the likes of John Lewis, with



in-store franchises and perhaps somewhat bastardised with the creation of food halls in shopping centres such as Meadowhall in Sheffield or Westquay in Southampton.

In pursuit of the ultimate USP (unique selling proposition) as well as a desire to embrace a number of individual passions, operators across the world have taken this idea and almost turned it on its head. To differing degrees, they have taken their food & beverage offer and fully integrated or imbedded it into another retail or business offer.

Whilst this isn't for

everyone, is there an opportunity for some operators to be even more creative in terms of what they could offer?

### Some basics

Before diving into specific concepts and examples its worth thinking about some of the basics. While there should be almost no limit in terms of what you can mix and match when it comes to what other services you offer, you still have to be mindful of health, safety and hygiene factors.

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***Although Pubs, Bars & Restaurants began to re-open, some of the gains were offset with a decline in sales through Supermarkets & Convenience Stores***

***The re-opening of Pubs, Bars & Restaurants has not benefitted Cider sales in the same way that it has helped Beer***

***Wine continues to perform well across all of its sub-categories, with Sparkling Wines doing particularly well after a bit of a slump***

## Beer Update

Latest data from the British Beer & Pub Association shows that beer sales in Q2 2021 were up +19.9% on the same quarter a year ago.

The growth was driven by the re-opening of most Pubs, Bars & Restaurants as the Covid restrictions were removed.

Sales through Pubs, Bars

& Restaurants in the UK in Q2 were up +1,437.0%. This compares to a decline of **(96.6%)** in Q1 in 2021 and a decline of **(95.6%)** in Q2 2020.

Sales through Supermarkets & Convenience Stores in the UK in Q2 were down **(14.8%)** compared to the same quarter last year. This compares to growth

of +32.9% in Q1 this year and a growth of +39.3% in Q2 in 2020.

Total MAT sales as of Q2 2021 were down **(8.4%)** vs. **(5.9%)** in the MAT to Q2 2020.

Source: BBPA July 2021



## Cider Update

Latest data from HMRC shows that cider returns in Q2 2021 were down **(5.2%)** on the same quarter a year ago.

The quarter started off well as returns in April were up +29.4% vs. April the previous year.

This performance slowed as returns in May were up +3.4% vs. May 2020.

The quarter came to an end with returns for June down at **(36.8%)** compared to June 2020.

A result of this has been that Cider returns on a MAT are now in decline at **(12.9%)**.

These numbers are for traditional apple Ciders only. Fruit based Cider volumes are categorized

as Made-Wine for duty by HMRC.

Source: HMRC August 2021



## Wine Update

Latest data from the HMRC shows that still wine returns for June 2021 were down **(1.7%)** versus June the previous year.

This combined with April up +4.9% and February down **(0.4%)** meant that Q2 was up +1.0% vs. Q2 2020.

This means that the current MAT is up +7.5%

vs. this time last year.

Sales of sparkling wines in June were up +21.7%.

Combined with a growth in April of +50.0% and a growth of +31.5% in May meant Q2 finished up +33.1% vs. Q2 2020.

This means that the current MAT is in growth of +12.4%.

Fortified wine saw an

increase during Q2 up +3.0% vs. 2020 with the MAT now at +10.8%.

Source: HMRC August 2021



## Pubs & Bars Update

The British Beer & Pub Association (BBPA) is calling for an overhaul of the business rates system after revealing that pubs overpay their share of business rates by £570m a year. According to the trade association, the pub sector in the UK pays 2.5% of all business rates, despite accounting for just 0.5% of rateable

turnover. The call comes as it responded to HM Treasury's consultation on business rates revaluations, and in particular revaluating business rates every three years.

Beavertown Brewery has announced the launch of its first ever pub, opening in Tottenham on Wednesday 1 September

2021. Corner Pin will be the first venue in the brand's nine-year history, offering pub food and beer at its brand new north London location.



***"We're thrilled to be opening our first ever pub in Tottenham, the place we call home," says Logan Plant, founder of Beavertown Brewery.***

## Casual Dining Update

South-London based pizzeria Share A Slice, a social enterprise committed to combatting hunger suffered as a result of growing poverty across London, has donated more than 13,000 pizzas to people in need. For each of its pizzas purchased, Share A Slice donates one to those in need via its

charity partners and weekly food drives. Burgers are the top choice for diners on restaurant menus, according to new research, with quality of ingredients being the most important factor for people (51%) when choosing where to eat out. Sixty-one percent say the use of quality

ingredients this is their main reason for venue loyalty, encouraging them to return multiple times.



***The study, conducted by Lantmännen Unibake's Americana brand, also found that value for money is important to nearly half of diners (48%).***

## Supermarket Update

The boss of supermarket Iceland says the supply chain chaos is getting worse, just as retailers start planning for the key Christmas period. Richard Walker told the BBC he estimated the UK's shortage of lorry drivers was now about 100,000, with the company itself about 100 short. Tesco boss John

Allan said, "there may be some shortages", but people should not "over-dramatise" and panic-buy.

Supermarket giant Morrisons has made an announcement about changes to how it will operate in the Christmas period this year. Bosses at Morrisons have told staff they can have Boxing

Day off as a thank you for their hard work during the pandemic. It will be the first time the grocer has shut stores on December 26.



***Asda, Marks & Spencer, Aldi and Lidl all said they would remain shut on December 26, despite having opened in previous years.***

Helping clients...

**Sell More  
Charge More  
Lower Costs**

Dates and Events for Your Diary

**General**

October

31<sup>st</sup> Clocks Go Back  
31<sup>st</sup> Halloween

November

5<sup>th</sup> Bonfire Night  
14<sup>th</sup> Remembrance Sunday  
27<sup>th</sup> Black Friday  
30<sup>th</sup> St Andrew's Day

December

21<sup>st</sup> December Solstice  
25<sup>th</sup> Christmas Day (Sat)  
26<sup>th</sup> Boxing Day (Sun)  
27<sup>th</sup> Bank Holiday (Mon)  
28<sup>th</sup> Bank Holiday (Tue)  
31<sup>st</sup> New Year's Eve (Fri)

**Licensed Trade**

October

1<sup>st</sup> World Vegetarian Day  
8<sup>th</sup> London Wine Tasting  
13<sup>th</sup> BBPA Dinner (Ldn)  
15<sup>th</sup>-17<sup>th</sup> The W&S Show (Lnd)  
26<sup>th</sup> UK Sausage Week

November

1<sup>st</sup> World Vegan Day  
18<sup>th</sup>-21<sup>st</sup> Taste of London  
TBC National Pizza Awards

December

4<sup>th</sup> Small Business Saturday  
TBC UKH Lunch

**Sports**

October

3<sup>rd</sup> Turkish GP  
9<sup>th</sup> Andorra v England  
12<sup>th</sup> England v Hungary  
24<sup>th</sup> USA GP  
31<sup>st</sup> Mexican GP

November

7<sup>th</sup> Brazil GP  
12<sup>th</sup> England v Albania  
15<sup>th</sup> San Marino v England

December

12<sup>th</sup> ABU Dhabi GP (Last)

Weather Summaries

For more months and years then simply go to:

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JULY	
	Temp = +1.5 Rain = 93 Sun = 111
<b>WARM</b>	
<ul style="list-style-type: none"> <li>Unsettled &amp; heavy rain to start with, becoming drier &amp; warmer</li> <li>5<sup>th</sup> equal warmest July since 1884</li> </ul>	

AUGUST	
<b>DRY</b> 	Temp = +0.1 Rain = 73 Sun = 79
<b>WARM</b>	
<ul style="list-style-type: none"> <li>1<sup>st</sup> half of August was unsettled with rain, then it became drier</li> <li>Rainfall well below monthly norms and quite warm</li> </ul>	

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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?**

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Clients range from **individual outlets** and **microbrewers** through to **regional/national brewers**, as well as **global drinks companies** and **trade organisations**.

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