



Matthew Clark

Industry bulletin

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Welcome to our weekly bulletin

As the UK's alert-level was reduced to three, the chances of the trade reopening soon seem to have increased. Calls for clarity however grew louder last week as the 4th of July date for English businesses remained unconfirmed.

In Scotland, the government this week released reopening guidance for the tourism and hospitality industry. Many of the advised measures are likely to be recommended nationwide, such as increased cleaning schedules and adjustments to enable social distancing.

Advice for English businesses is said to be close, as the nation's shops opened more widely this week. Footfall was thought to be around 60% of that seen in February - numbers not dissimilar to those predicted for the trade. Given the showery weather that welcomed shoppers however, and the sunny weather to come, there may be good news in these numbers for our industry.

The week in numbers



12

Days remaining until the 'earliest' date for the trade to reopen in England.



44

Points on Scotland's COVID reopening checklist for hospitality business.



60

Percentage of typical footfall in London following the reopening of shops.¹



1,346

New COVID cases on Friday as the UK alert-level was reduced.²



83

Physical and virtual events to take place in celebration of English Wine Week.³



17

Percentage of consumers reportedly comfortable with 1m distancing in a venue.⁴

Headlines

Government downgrades UK Covid-19 alert level

The UK has moved to alert level three following a sustained decline in cases, increasing the likelihood on-trade business returning on the 4th of July – a date yet to be confirmed by the government.



Pressure grows for government to confirm reopening date

With many hospitality businesses preparing to reopen on the 4th of July, UKHospitality has called on the government to confirm the date, arguing that 'time is of the essence' for businesses to be ready.



Guidance revealed for Scottish pubs reopening on 15 July

The Scottish government has issued guidance for the tourism and hospitality industry ahead of the indicative return date. The advice includes the need for 2m distancing and limits on customer numbers.



Matthew Clark opens e-commerce platform to on-trade

In an on-trade first, Matthew Clark announced the opening up of their e-commerce platform to all hospitality businesses, who can order up to £1500 of product for delivery online, without opening an account.



Government confirms support for supply chain businesses

The government has clarified discretionary grants by local authorities of up to £25,000 can be awarded to companies within the hospitality supply chain affected by a fall in demand from the industry.



Consumers may be encouraged to order via app

Upcoming guidance for the industry in England is believed to encourage operators and consumers to use table service ordering apps once the trade reopens; the guidance is expected to be published 'very shortly'.



In Focus: Off-trade trends

The nation has been drinking less often but buying better quality...

40%

of on-trade beer, wine and spirit volume has been gained by the off-trade. During March and April, however, **136.6m litres** of alcohol volume was lost across the total market.⁵

35%

Off-trade alcohol sales grew 35% in May year-on-year, as consumers took advantage of Bank Holiday weekends and the warmest weather on record.⁶

106%

World Beer sales value grew 106% year-on-year in May, behind only Stouts & Porter (**127%**), perhaps as consumers long for the high-quality brands offered in the On-Trade.⁷

49%

The total sales value of wines priced £7-£10 grew 49% year-on-year, while the total value of wine sales over £10 increased **15%**; wines under £6 witnessed a fall of more than a fifth.⁸

27%

of consumers report drinking less or stopping drinking alcohol altogether during lockdown while **35%** say that they are drinking more.⁹



Younger generations have adapted quickly...

18-24 year-olds had the highest increase in alcohol occasions served by the off-trade in March, followed by 24-34 year-olds.¹⁰ Online alcohol retail sales have grown significantly during lockdown, up **162%** YoY in May.⁷



But remain the most ready to return to the on-trade...

80%

of under 24's and **79%** of 25-34 year-olds are happy to return to the trade with precautions in place.¹¹ **28%** of under 24's feel comfortable returning as soon as restrictions are raised, the highest of any age group.¹¹

The on-trade experience can not be replicated for all drinkers.

Cocktails, craft beer, ale, and stout are difficult to get right at home, and have seen the most significant loss of consumers during lockdown.¹¹ These are likely to be key categories for consumers on reopening.

How is the on-trade changing?

Consumers may be acclimatising to life with out the on-trade

21% of consumers surveyed in May are most looking forward to visiting a pub or bar after lockdown, down 3% from April. The number of consumers looking forward to going out for a meal most of all was down by 7%.¹²

49% of consumers say they will continue most of the behaviours they have developed during lockdown, including cooking more and other at-home hobbies.¹³

43% of consumers say they will visit bars, pubs and restaurants less in future.¹²

Cleanliness, quality and value for money will be key factors

37% of consumers rate cleanliness being the crucial factor in choosing which venue to visit post-lockdown.¹²

31% of consumers rate food quality as the most important factor in deciding where to visit, compared to just 11% who rank the drinks range highest.¹²

29% of consumers say that 'value for money' is the most important factor in choosing a venue post lockdown; only 11% ranked promos and deals highest.¹²

Ordering takeaway food and drinks more often may continue

19% of Chinese consumers ordered alcohol from a bar more often during lockdown and are continuing to do so post-lockdown. 24% are continuing to order more hot food deliveries.¹⁴

Supporting local and independent business will continue to gain traction

28% of Chinese consumers bought more local products during lockdown and have continued to do following the ending of restrictions.¹⁴

25% of Chinese consumers visited local bars and restaurants more frequently after lockdown ended.¹⁴

52% of UK business leaders expect to see a long-term increase in the desire to support local; 25% expect increased consumer desire to support independents.¹⁵

67% of business leaders predict a long-term reluctance to visit city/town centres.¹⁵

40% of suburban residents and 27% of rural residents would be 'very concerned' to visit bars, pubs and restaurants in city/town centres.¹¹

Sources

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 7. Kantar FMCG Panel 17/05/2020
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