

A photograph of two women standing in a cafe, looking at a menu. The woman on the left is wearing a white t-shirt with red text on the back. The woman on the right is wearing a black t-shirt. In the background, there is a counter with a coffee machine and shelves with bottles. The text 'Matthew Clark' is overlaid in white script on the right side of the image.

Matthew Clark

Industry bulletin

20th July 2020

Welcome to our weekly bulletin

There's a growing feeling that things are slowly returning to 'normal'! Figures released this week show that sales are growing and more consumers have returned to drinking and dining out – making an average of 2.5 visits in the days post-lockdown.

These numbers will only rise following the latest announcement heralding the reopening of casinos, bowling alleys and ice-skating rinks in England this August, not to mention the fact that pubs and restaurants in Scotland are now able to fully reopen. While we're still awaiting confirmation of when Welsh venues can do the same, last week marked the eagerly awaited return of beer gardens.

Across the UK, venues are now gearing up for what should be a confidence-boosting August, with predictions that most venues and consumers will return and the introduction of the government's 'Eat Out to Help Out' scheme. All of this can not come soon enough, with new figures from UKHospitality finding that one-third of the UK's entire GDP drop during March and April resulted from hospitality closures.

The week in numbers



2.5

Average number of trips to the on-trade made by returning consumers.¹



20

Maximum minutes travelled by two-thirds of consumers to visit trade.²



321

Number of Bowling Alleys given the greenlight to reopen in England.³



58

Percentage of operators set to take part in the 'Eat Out to Help Out' scheme.⁴



1/3

of the UK's entire GDP drop in March and April attributed to hospitality closures.⁵



11

Days until charges return for operators to dispose of beer down drains.⁶

Headlines

Water companies set to charge for beer disposal

With water companies set to stop waiving charges, operators have been urged to make arrangements to dispose of their spoilt beer before fees return at the end of the month.



Face masks not to be mandatory in Pubs and Restaurants

Environment secretary George Eustice has confirmed that the use of face coverings in pubs and restaurants will not be mandated in England, despite the impending mandatory use in shops.



Reopening of leisure venues announced by government

As part of a further easing of restrictions, a date has been set for the reopening of additional parts of the hospitality industry, including bowling alleys and casinos. Venues can reopen in England from the 1st of August.



Operators encouraged to provide smoke-free outside seating

An amendment to legislation tabled this week in Parliament is set to make it clear that operators should make reasonable provision for smoke-free seating in outdoor areas.



CGA and UKHospitality outline a road to recovery

A new joint report from UKHospitality and CGA examines the scale of the covid-19's impact on hospitality and makes a series of suggestions on what the industry can do to reclaim sales.



'No More No Shows' campaign launched across Manchester

Following a trending tweet from chef Tom Kerridge, momentum has grown within the restaurant trade behind a campaign designed to encourage bookings to cancel or rebook rather than not turn up.



In Focus: Two weeks on

Rural pubs have taken the lead on reopening

51%

of England's pubs and bars reopened by the 16th July, up from the 45% that traded in the first weekend. This equates to a total of 23,458 venues.⁷

61%

of rural sites, 60% of suburban sites and 53% in high street locations are open. Rural locations are more likely to be trading than those in urban areas.⁷

49%

of Food Led Pubs re-opening during the first week compared to 24% of total outlet, suggesting they have been more able to adapt to new operating procedures.⁷

15%

of restaurants returned by the 16th July despite suggestions that restrictions would be easier for food venues to manage, perhaps due to typically being based in central locations.⁷

More people have visited pubs, bars and restaurants than cafés, coffee shops and fast food outlets.⁸



More customers returned to the trade than expected

35% of English consumers have visited the on-trade within the first 10 days of opening, more than 4% more than predicted. Encouragingly, the majority are making 2.5 visits to the on-trade on average - only 38% have made just one visit.⁸



Unsurprisingly, however, younger consumers are driving this

55%

of 25-34yr olds and 46% of 18-24yr olds have visited the on-trade within the first 10 days of opening. If consumer predictions continue to materialise, a further of consumers 20% are expected to visit in the next month.⁸

How is the on-trade changing?

Consumers want a pint on their return

Beer performed ahead of total alcohol (-**85%** first week, -**52%** second week) with consumers favouring their first drink back being a draught pint.⁹

Sales are slowly returning - total alcohol sales were **86%** down over the first re-opening week, but **improved to 55%** down during the second week.⁹

Customers aren't trading down as expected - Spirits Volume and Value ROS are **recovering in line** with one another, giving an early indicator that consumers are not choosing more value-led products.⁹

Consumers are placing a high value on having plenty of space

30% of consumers say that they would only want to sit outside.¹⁰

1 in 3 city centre residents travelled out to town centres to eat/drink.⁸

Reduced capacity and social distancing measures are the **top two essentials** expected of consumers when visiting the on-trade.¹¹

Confidence and concern levels are starting to returning to normal

68% of consumers are taking precautions to protect their health as a result of COVID-19, down from **92%** of people in April.¹¹

75% of consumers are concerned about the long-term financial implications of COVID-19, down from **85%** of people in April.¹¹

32% of operators feel very or fairly optimistic about how their business will perform over the next 12 months, up from **15%** in April.¹²

28% of consumers visited the trade on the opening weekend, significantly higher than the **19%** predicted.¹³

Food and drink ranges are likely to get smaller

82% of operators are considering reducing the size of their food menu to focus on the best-selling core items.¹²

41% of operators are looking at reducing their drinks range back core items.¹²

Sources

1. CGA UKHospitality Future Shock July 2020
 2. BBPA
 3. CGA Outlet Index 2020
 4. CGA Outlet Index 2020
 5. Tenpin Bowling Proprietors Association
 6. HIM/MCA Insight Hospitality Leaders Poll
 7. CGA Outlet Index 2020
 8. CGA Pulse Survey 16.07.20
 9. CGA Drinks Recovery Tracker
 10. POURTRAITS consumer survey June 2020
 11. CGA BrandTrack April 2020 – COVID-19
 12. CGA Business Confidence Q2 2020
 13. KAM Media - Hospitality Re-opens
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