

**Peter
Backman.**



Weekly Briefing Report

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About the Weekly Briefing Report

I write the [Weekly Briefing Report](#) to provide an immediate view of the market. My premium service (which additionally includes Monthly and Quarterly Briefing Reports) provides a more in-depth view. Learn more and subscribe [here](#)

I value your feedback and I would particularly appreciate your thoughts on the topics you would like me to add to my coverage – contact me at peter@peterbackmanfs.com

My insight

You know how frustrating it is when you want to attract the waiter's attention – you wave your hand, you mutter (not too loud otherwise the people on neighbouring tables will hear) "I'm here!". That happened to me last week in a pub, part of an upmarket chain, in the western outskirts of London. I arrived a few minutes before my lunch companion and so I had a brief chat with the waitress. She seemed friendly enough and in answer to one of my questions, she observed that "after covid, some guests are quite rude". I should have taken that as a clue.

Anyway, a quarter of an hour later, of the 25 tables or so tables, 23 were empty – and there was a total of almost five guests. So, it wasn't busy. And there were two waiting staff and a barman at the bar - a generous staff to guest ratio. We were ready to place our order. I waved ("I'm here. I'm here ready to place my order"). Finally, after what seemed enough time to pour a pint or two, I was spotted. In a spirit of what I intended to be helpful feedback I pointed out to the waitress that I had to wave for about a minute and a half before I was noticed (this would be a useful KPI to measure I thought). The response: "I came over as soon as I saw you". "Well", I said "that's true but it's not what I wanted to convey". I went on, musing out loud: "How can I say this without upsetting you?". She said: "I'm already upset". So, suddenly I'm the one who's at fault.

At that point, my lunch companion, a seasoned industry veteran, said "I think we should leave". So we did with the words of the waitress, that our drinks were on the house, ringing in our ears.

Undaunted, we sought another hostelry and within a mile we found [The Woodman](#), a truly hospitable family run pub, leased from Stonegate. What a pleasant welcome – and excellent food. We had a most informative discussion with the landlady from which I learned quite a lot in a short period – from the personal service she receives from a local wholesaler to the difficulties of replacing a menu favourite with something different – and then being given the best ever tomatoes by a happy regular who had grown too many for his own needs – providing the Woodman with a great, if one-off, menu extension.

So naturally, I introduced into the conversation our experience in her nearby pub. She listened with interest and then encapsulated the whole thing when she said "It's really simple. A pub is all about hospitality. If you don't want to like people, then don't do this job". Liking people (while recognising that some of them may have something useful to say sometimes) is what this job is all about. If that's not your schtick, don't do the job.

The numbers

Is the world shifting? Last week I was delighted to have been invited to take part in a day-long seminar organised by InvestNI which took an extensive look at “sustainability” in relation to many aspects of the food chain.

In my session I was able to explore several notions. The first is that there is no foodservice sector-wide view about what sustainability is – and that's not surprising given that the sector comprises 80,000 or more businesses, serving one million meals a minute. Views range from the “I can't be bothered. I don't understand it, and I don't know what the fuss is about” to operators who embed sustainability into everything they do - they have their furniture made from recycled carrier bags, they grow their own food organically, they don't provide napkins – neither linen nor paper – because they believe they come with too high an environmental cost.

Another notion is that sustainability in the foodservice context is much more than just food and its impact on the environment. To take an example, investigating the role of agricultural land in sustaining the environment, leads to views about the role of the people who benefit from the land – the farmers and others on whom they depend. And that level of concern over sustainability leads to ethical concerns about people in general – caring for employees fairly, for example. And in conversation with the CEO of a large supplier last week I was struck by his heartfelt concern that, in this time of incipient high inflation, it is correct to consider paying higher prices to those smaller, family-run, less financially resourced, suppliers whose business would otherwise go under.

Pressure on businesses to be sustainable is all around and it influences all of us. In turn the idea that foodservice operators should run their business sustainably comes from three sources: internally from our own self-generated pressure; from people we employ, work with and report to; and our customers. If sustainability is high on their agenda, shouldn't it be high on ours? Understanding what they mean by sustainable, and what they want to do about it, can surely drive our own views about what to do.

Perhaps arising out of this is the notion that the meaning of caring for the world (inherent in “sustainability”) is morphing into “caring for everything around me”. That would imply doing things which are perhaps not as full a part of what we do as they should be. Maybe it includes looking after our immediate environment (what's wrong with restaurants and pubs making the effort to keep the pavement in front of their store clean of rubbish?); at another level, it includes calling out boorish behaviour, or saying thank you.

Maybe a focus on sustainability is shifting so that the world becomes a place more like the restaurant industry aspires to be. I hope I'm right.

While we wait to see what happens, here are the latest numbers:

	October							
	18	19	20	21	22	23	24	Metric
Huq Index	54.3	53.5	55.4	55.7	56.9	56.2		Change in footfall Feb 2020 =100
Open Table	5%	9%	17%	20%	22%	37%		YoY % change in bookings vs 2019

The rest of this report contains a summary of corporate and other activity over the past week:

News in the past week

Finance & Legal

- Food prices inflation up 1.2% in August to CGA Prestige Foodservice Price Index
- FDF CEO reveals inflation at 14-18% for hospitality firms
- UK CPI rose 3.1% in September – from 3.2% in August

Landlords

- Hammerson footfall at 80-85% of 2019 levels

Restaurants

- GBK Restaurants appoints voluntary liquidator
- Restaurant Group leisure LFL sales rose 6% after VAT adjustment in the quarter from reopening to mid-August; pubs rose 2%; Wagamama rose 9%

QSR

- Caffè Nero sales at -13% below 2019 equivalent period
- Five Guys UK sales fell -5.2% in calendar 2020
- Tossed appoints voluntary liquidator

Pubs

- Frontier Pubs sales fell -31.4% in the year to end September 2020
- Ei Group sales fell -34.6% in year to end September 2020

Hotels

- Whitbread September Revpar 16% above 2019

Staff Feeding

- Sodexo UK & Ireland plans for net zero by 2045

Delivery

- Deliveroo GTV (Gross Transaction Value) grew 58% in the last quarter versus 2021
- Just Eat UK orders rose 50% in the third quarter versus 2020
- Giggling Squid opens dark kitchens in Acton

Around the World

- Domino's US LfL sales fell -1.9% in the last quarter
- Creams agrees first international deal in Egypt
- Ireland nightclubs reopen

Around the World Delivery

- TGI Fridays to launch 300 dark kitchens internationally on Reef Technology sites by 2026
- Just Eat Takeaway international Gross Transactional Value (GTV) rose 23% in the third quarter of 2021 versus 2020
- Grubhub US orders rose 3% in the third quarter of 2021 versus 2020
- Just Eat Takeaway orders in the third quarter of 2021 versus 2020 were up 35% in Germany, up 15% in the Netherlands, up 17% in Canada
- Delivery Hero reveals €200m investment in Gorillas

Delivery offers in the week

- Deliveroo: Win a Merlin Annual Pass for the whole family
- Deliveroo: We say 20% off or more
- Deliveroo: Get 25% off with Meal Deals
- Deliveroo: 10 KFC Mini Fillets for £10
- UberEats: Win £1,000! Order Nestle sharing pack to enter
- UberEats: £0 delivery fee at Leon
- UberEats: Free Desserts Bundle (spend £15)
- UberEats: Buy 1, get 1 free
- UberEats: 30% off McDonald's