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# 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](mailto:peter@peterbackmanfs.com)

## My insight

Last week I talked about omnichannel and how it's one of the ways forward for businesses impacted by the fallout from covid. And then along comes Pret a Manger with announcements that underline that observation. It intends to reverse recent pullbacks from its international presence by entering 5 more countries, and opening 200 more stores in the UK, with a beefed-up franchising programme. This comes on top of initiatives launched in the past year that will shortly (if everything goes to plan) account for 30% of sales – selling Pret-branded coffee beans and other products on Amazon, and in supermarkets, developing its menu of delivery items, and building up its subscription offer.

All of these things may have been on someone's to-do list two years ago. But covid has loosened shackles – it's allowed people and businesses to do what they have always wanted to do – while at the same time providing an imperative to do something to fill gaps in sales and profits caused by the impacts of covid. I suspect we will see more of this over the next few months and years. It will drive changes in the profiles of high streets and city centres. In this context I'm not talking about working from home (already too much talked about). But I am thinking of things like the growth of franchising (at least in the UK where home-grown brands have typically not grown by adopting this strategy).

And then there's omnichannel. The end result of a restaurant sector driven by successful omnichannel initiatives is a (probably limited) number of brands whose products are seen everywhere (in supermarkets, on Amazon, via delivery apps, on store facias) – and whose ranges of products will expand from food into who knows what – toiletries, summer holidays – the sky is the limit, in theory anyway. But in practice, companies don't get to that state of multi-channel ubiquity. Current heavyweights like Virgin and Easy (as in EasyJet) are limited to a handful of channels. They are driven by corporate strategies that hand responsibility for new activities to partnerships – they are not handled from the centre. And that is because manging a company across multiple activities is taxing.

So while I expect there will be more omnichannel activity in the hospitality sector in the coming months and years, its expansion for any one brand, or business, will face limits.

## The numbers

One of my good friends (you know who you are) is probably going to throttle me – very slowly – for what I am about to write: MrBeast Burger may have something going for it.

I have written often, sometimes at length, about one of the besetting sins of delivery, namely: how do you deliver hospitality in a bag? The answer is of course you can't because hospitality requires personal contact (at least it does in my reckoning). But that doesn't stop people trying. And in the restaurant meal space, the companies that come closest to offering hospitality in a bag are arguably the meal kit deliverers. They don't aim for low cost and speedy delivery. Instead they charge pretty hefty prices and deliver within two or three days.

This allows all sorts of good things. One is anticipation (you have 48 hours or more to anticipate); another is that the customer is engaged with the food because someone has to do the final finishing at home – frying, grilling, mixing, arranging – that sort of thing; and a third good thing is that the kit can contain a friendly note enquiring “Is everything all right?”. There may also be a video on YouTube that provides some intimation of interaction at a personal level. It's not hospitality as I know it, but it is an approximation.

And now there is MrBeast Burger. If you don't know the brand you are probably over the age of 21. It's less than one year old and is already available in getting on for 600 cities in the USA; it's also available in other countries around the world, including the UK. Look at its website and you see the design ethics of a tidy student flat (if that isn't an oxymoron). Its name - “MrBeast” - is grammatically incorrect. The products are pretty common, and the names given to the menu items are pretty, like you know, uncool – Karl's Grilled Cheese, Beast Style.

And then there's merchandise – badge pins, hoodies, dad hats. And then there is its social presence - on Instagram and YouTube - which engages people in their millions around the world, whether or not they can actually order a MrBeast Burger burger.

In ways like these, MrBeast Burger has created multiple relationships between customers and the brand – even though the brand is virtual. Handled correctly, virtual brands can go on to have a life of their own that transcends the actual physical offer. Maybe that's the future of MrBeast Burger – perhaps the world's first post-delivery restaurant brand.

While we wait, here are the latest numbers from the Huq Index and OpenTable:

	September							
	20	21	22	23	24	25	26	Metric
Huq Index	48.4	48.3	48.8	49.7	50.8	50.1		YoY % change in footfall
Open Table	14%	21%	21%	2-%	28%	31%		YoY % change in bookings

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

## News in the past week

### Finance & Legal

- Edinburgh permits alfresco dining to end October
- Amber code removed from country vaccination risk list
- Government proposal that all tips should go to staff
- ONS reports 8% increase in people travelling to work in mid-September fortnight versus prior two weeks
- CO<sub>2</sub> supplies have been significantly reduced for food production, hospitality etc

### QSR

- Pret a Manger launches coffee subscription in New York
- Pret a Manger in City of London traded at 72% of 2019 levels in the first half of September

### Pubs

- JD Wetherspoon expects to increase its menu prices by 40p on 1 October. The company reduced its prices when VAT was last reduced
- Scotland bars and nightclubs in legal action against covid passport measures coming into force on 1 October
- Mitchells & Butlers sales down -3% in four months to mid-August versus 2019
- City Pub Group LfL sales in three months to mid-September fell -10% versus 2019
- Fuller Smith & Turner Managed LfL sales down -14% versus 2019 | two months to mid-September
- Real ale sales in pubs down -40.2% between April and July versus 2019

### Leisure

- O2 Entertainment District sales rose 41% in August versus 2019
- Everyman Cinemas admissions at -20% of 2019 levels in two months to mid-September

### Around the World

- Compass Group expects fourth quarter sales to grow 86% versus 2019
- Carnival Cruise Lines reveals 11 ships in service – equivalent to half its fleet
- SSP sales fell -27% versus 2019 in the last quarter
- Portugal to remove all restrictions on restaurants on 1 October
- Norway allows restaurants to operate at full capacity and nightclubs to reopen

### Delivery offer in the week

- UberEats: 40% off your next 3 orders in the next two weeks