

**Peter
Backman.**



Weekly Briefing Report

Week ending 5 December 2021

Published 6 December 2021



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

Omicron (or “omnivore” as some spellcheckers will have it) has come out of the blue – or has it? Scientists (and politicians) have, sometimes in the past, hedged their bets when talking about the future direction of the pandemic with words such as “providing there isn’t a dangerous new variant” - but we ignored those words of gloom and concentrated on how soon vaccines would work their magic.

Well now we know how much attention we should have paid to those caveats. Many of us didn’t, but we should have. And maybe it’s not too late to start paying attention because there is half the Greek alphabet still to go through (and then whatever other alphabets or constellations, as a WHO official is reported to have suggested, are necessary). In short, there is more to come.

The hope is that whatever it is, it won’t be as bad as what we’ve already had. Let’s hope that’s correct and at the same time, ask: what can businesses do about the upcoming versions? I don’t have all the answers by a long shot, but I can put forward a number of suggestions with apologies if you are already do all of what follows:

First, have a plan. Include alternative scenarios (because as sure as eggs are eggs, the outcome will not be as straightforward as you imagine). And then keep it up to date. And be serious about it (“I haven’t updated the plan because there weren’t any signs of a new dangerous variant” is not an excuse).

Second, have money. Large, national and multi-national, companies may have access to money when needed (and many did just that at the start of covid). But not all have that access; and the further you go down the size range, the less access there is. But that doesn’t mean businesses shouldn’t have that access. And if there isn’t that access, as I said above, have a plan – or have money in the bank.

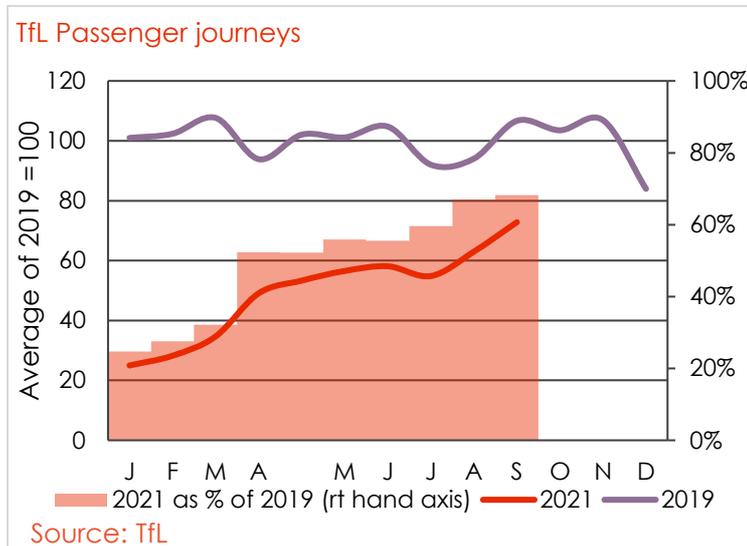
Third, keep in touch with your stakeholders – all of them whether employees, suppliers, customers, landlords, owners, suppliers of capital (and for this last, see the second suggestion). The value of each of these relationships was severely tested during the early days of covid – some relationships with stakeholders are a slam dunk but others (landlords perhaps) perhaps present a more awkward challenge.

No doubt you can add to this list – and provide more detail and colour – but anyway it’s a start for coping with the effects of the pi and omega, and Sagittarius and Corona Australis, variants.

The numbers

Until covid struck it wasn't obvious how much the foodservice sector relies on travel – on people from some place going to somewhere else.

Of course, it's all fairly obvious now, but back in the old days before covid, the benefits of serving

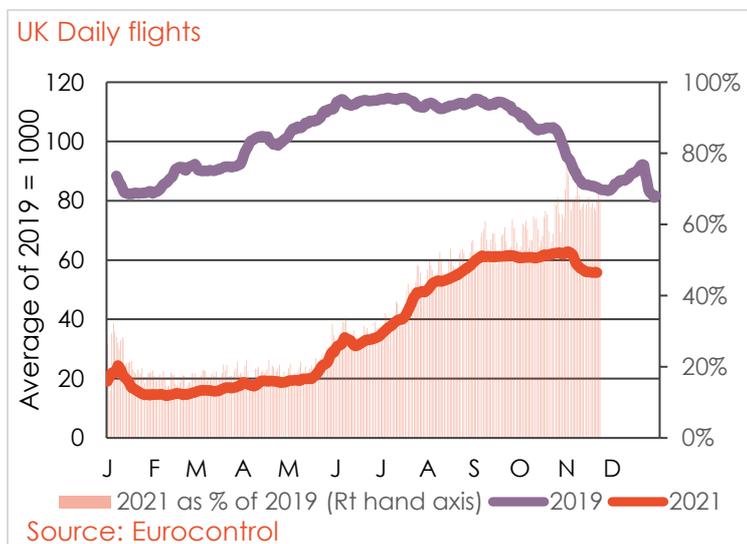


travellers were hidden in plain sight. Holidaymakers filled up hotels and planes; businesspeople did the same. Commuters took the train or drove to work and had a coffee on the way from the station or the car park to the office. Airports and train stations existed merely to allow people to travel – on business, on holiday, as part of their day to day life. People who were just travelling – to go shopping, to visit family or friends, while on holiday, or driving to meetings - filled up motorway service stations. Travel, travel, travel.

And an infrastructure of coffee shops, sandwich bars, fast food outlets and many

more was created to cater for the needs of travellers to take time out, to fill up, or to meet people. Businesses were built on these needs. And so the absence of travellers, caused by covid lockdowns was a disaster for those businesses.

Things are slowly returning to where they were, and travellers are, once again, travelling but not in



the numbers as before. In short, people are travelling but less often, and therefore need less sustenance and fewer overnight stays than before. But, as I say, they are returning. Separate figures from TfL and Eurocontrol (the organisation that coordinates civil-military aviation in Europe) show a similar pattern – at least in terms of returning to 2019 levels. In the latest months both show that travellers are running at about 70% of 2019 levels (the pink blocks in the accompanying charts) having stared the year at about 20%.

And this level of return is supported by the

New West End Company (the body that represents operators and landlords in London's West End) whose figures show that shopper numbers on weekdays are now running at 80% of pre-pandemic levels (and even better at weekends). This must be good news for all those businesses that rely on these travellers. But how long until the missing 30% return? For some people – international business travellers and overseas tourists - there may still be quite a wait.

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

News in the past week

Financial & Legal

- Government not to require masks in hospitality venues – but in shops and transport
- Northern Ireland gross output at -0.3% versus 2019 – the best performance in the UK

Landlords

- Shaftesbury reports footfall across its estate in the West End at 80% of 2019 on weekdays – and 100% at weekends
- EG Group revenue rose 20.4% in the quarter to end September versus 2020

Restaurants

- Carluccio self-serve machines placed in 20 Sainsbury's Local stores.
- Dishoom reveals new range of online products

QSR

- Pret A Manger launched Pret Perks loyalty scheme
- Costa Coffee to provide a million complimentary pre-Christmas drinks to Costa Club members
- Pho LfL sales rose 23% in the past quarter versus 2019

Pubs

- Marston's LfL sales in the two months to end November 1.3% up on 2019
- Loungers LfL sales up 23.4% in the last six months versus 2019

Hotels

- Travelodge sales in the quarter to end September rose 9.9% versus 2019

Delivery

- Uber Eats will leave Hong Kong at the end of the year

Suppliers

- Morrisons to use StarStock to supply foodservice operators with Morrison-branded products

Around the World

- Germany bans the unvaccinated from bars and retail outlets

Delivery offers in the week

- Deliveroo: 20% off on Tasty Thursday
- UberEats: 50% off groceries
- UberEats: Eat Wednesday with £10 off Local Favourites
- UberEats: 30% off McDonald's on orders of £10 or more