

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. 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 Premium Briefing Report service includes Monthly and Quarterly Briefing Reports; it provides a more in-depth view than this Weekly Briefing Report. I offer a choice of monthly and annual subscriptions. You can subscribe here.

1978

In my Weekly Briefing Report this week I continue the theme of learning lessons from 1978 – a year which, as I noted in an earlier issue, was similar in many respects to 2022. This week, I feature the reflections of Tony Hughes – a long time leader in the growth of food in pubs.

Pubs were facing a dramatic change in their market in 1978 with a decline in demand for beer and spirits while demand for wine was only just taking off. Drink drive laws, introduced in 1967, and the breathalyser, introduced a year later, were influencing drinking in pubs. The challenge for breweries – who owned and ran the majority of pubs - was how to grow sales.

Tony Hughes formerly Managing Director of Mitchells & Butlers food branded estate including Harvester and TGI Friday's

1978-1982

In 1978 I was promoted from Operations Director of Duttons Restaurant in Whitbread West Pennines to Catering Controller of Whitbread East Pennines covering all the restaurants and hotels from Nottingham to the Scottish boarder.

At this time eating out was starting to boom and there was a great opportunity to develop food led operations from the extensive pub estates of the 'Big Six' Breweries.

In East Pennines we developed Cutlers Steakhouses, a premium Bistro concept and in conjunction with Beefeater London, developed several Beefeater Steakhouses.

Having a young family I recognised the gap and the growth in family dining and secured the rights for the Mr Men characters for our Cutlers children's menu - later to be expanded into whole Beefeater estate.

In 1980 Whitbread decided to focus all their resources on one major restaurant brand and set up the Beefeater Steakhouse Company, I was appointed Operations Director and moved south.

At this time there were several players in the steakhouse market - Berni inns, Schooner Inns, Cavalier Steakhouses and a raft of smaller operators, all enjoying the surge in dining out and the availability of high quality and inexpensive Argentinian Beef.

Whitbread had a huge estate of pubs available for conversion and with a highly attractive remuneration and profit sharing scheme was able to attract the best managers to accomplish the growth required.

Over the course of the next two years Beefeater opened one new restaurant every nine days and by 1983 had an estate of 150 Beefeaters to become the most profitable restaurant company in Europe.

From the end of 1983 I was despatched to the United States identifying and working with TGI Friday's to secure the Friday's brand for Whitbread in the UK - another exciting period!

As Tony has pointed out, the strategic imperative for pubs to grow topline sales was met by expanding into food. This meant building on what was known to work – steak; developing new ways of serving it; repurposing existing resources – pubs – into a new and relevant format – pub restaurants; and using extensive brand building to grow customer acceptance and sales.

And that is a simple model for what has been shown to work over the years, and is still relevant in today's challenging market.

In a couple of weeks I'll be featuring the thoughts of Ian Neill - serial foodservice innovator and entrepreneur, formerly CEO of Wagamama and responsible for building the brand in the first 15 years of its life.

My insight (in brief)

Say what you like about plastic screens between tables that kept covid at bay, at least they made for a more intimate space. That thought came to mind when I read a report in the Times last week about high noise levels in restaurants.

There are clearly arguments for a noisy restaurant (it's what people want) and against (it's what people don't want). And noisy restaurants may be becoming more numerous for many reasons – it's cheaper to provide a tiled floor than a noise-cancelling, carpeted one (and easier to clean); curtains, and upholstered chairs and tables with tablecloths, which also cancel noise, need expensive cleaning. We live in a noisy world – from ear-splitting, crackling motorcycle exhausts to hearing other people's phone conversations from the other side of the street.

It seems to me that sometimes we want (or at least quite like) a noisy restaurant, and sometimes we want peace and serenity. Some people are more disposed generally to a quiet restaurant and others would prefer a bustling and noisy environment.

Pity poor restaurateurs who have to navigate these waters. But navigate they must – and, amongst things, that means making a choice about how noisy to be. There is no guarantee of what works best. Get it wrong and risk losing custom from deafened guests; get it right and it becomes one of the foundations of success.

The rest of this Weekly Briefing Report provides a summary of the news in the last week:

News in the past week

Financial & Legal

- There was a three-day strike on national railways
- There was a one-day strike on the London underground
- Begbies Traynor rise in number of UK companies in significant financial distress
- Government figures show 1,817 registered company insolvencies in England and Wales in May as financial support is withdrawn

Foodservice

- Barclays note that 18% of front of house staff roles, and 20% of cleaning staff positions are vacant

Restaurants

- Vapiano opens two dark kitchens - in Nine Elms and Brent
- Various Eateries sales rose 2% in the three months to mid-June versus 2019

QSR

- KFC working with FareShare to reduce waste by distributing food via charities and local groups
- Caffe Nero UK airport sites LfL sales up 113% in the two months to mid-June versus 2019
- Chop'd acquired out of administration by Inc Retail Group

Hotels

- Park Holidays UK acquired Park Leisure

Leisure

- Luton Airport handled 1.2 million passengers in May
- Heathrow asked airline to cancel 10% of flights due to baggage handling issues

Suppliers

- Sales of English and Welsh rose 31% in 2021 versus 2019

Delivery

- Taster expands into Bristol

Delivery Offers in the Week

- Deliveroo: Enjoy 30% off Pizza at Waitrose
- Deliveroo: We say 20% off (or more)
- Deliveroo: Get 25% off Meal Deals
- Just Eat: Rewards for eating delicious food? With Stamp cards
- UberEats: Save £8 this Eat Wednesday
- UberEats: Get member-only prices with Uber One