

WEEKLY BRIEFING REPORT

Week ending 8 May 2023

Published 9 May 2023

Peter
Backman.





About my Weekly Briefing Report

This Weekly Briefing Report is **free**. Has this been sent to you by a colleague? You can sign up here for your own copy:

[Sign up Here](#)

Premium Briefing Reports

My **Monthly and Quarterly Briefing Reports** provide a more in-depth view. There is a **choice of monthly and annual subscriptions**.

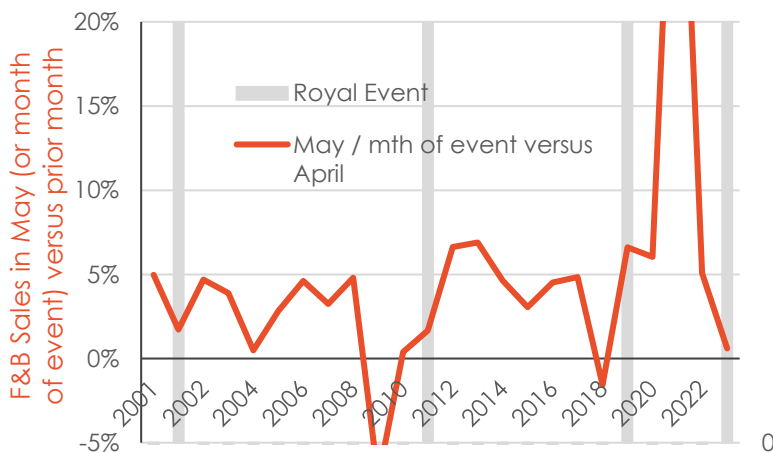
[Subscribe Here](#)

My Coronation numbers

The Brits do world-leading pomp. And this last weekend it's really been on display. The question for today is: what does the coronation mean for the foodservice industry? Of course, it's still too early to say – it'll take weeks, if not months, until a full picture emerges. But let's make a start.

The industry seems to have anticipated a boost to demand – Bloomberg, for example, calculated sales of £350 million for restaurants and pubs (equivalent to slightly less than an annual increase of 0.5% – hardly a bonanza); the CEO of Greene King has reportedly claimed that pubs would see a welcome boost to business from the coronation. So there is (or has been) anticipation in the air.

At the time of the wedding of Prince Harry and Meghan Markle (as they were) I noted in a report: 'Past royal weddings show that ... whatever happens, the figures for eating out are hardly likely to move the dial for the whole year'. So the auguries are not positive and more detailed figures bear



Sources: ONS, Peter

monthly growth was 2.7% - only Prince Harry's wedding exceeded the long term average.

this out. The graph looks at the changes in UK food and beverage sales in May – or the month of the event - versus the prior month. May was the month of Prince Harry's wedding in 2018. Prince William's wedding was in late April 2011, and the two most recent jubilees (the Golden in 2002, and the Platinum in 2022) were in early June. The graph shows that, over the past 20 years, May has turned out to be 4.7% up on April. In the years when there were royal celebrations, the average

This is a simplistic analysis which doesn't take account of the many factors that could affect these numbers. But it suggests that royal events don't do much for the foodservice sector.

I hope I'm wrong, and that there will be many announcements of record-breaking business this month. But in the grand scheme of things, I somehow think the coronation pomp won't do too much for the eating out market.

My insight

What makes the US different from the European, or more specifically UK, market?

There's size obviously - the US restaurant market is disproportionately larger than in Europe. The average person in the US eats out over 50% more often than the average UK consumer. And with a population six times that of the UK, the USA restaurant market is about ten times larger than the UK.

There is the question of accessibility – eating out in the US is much more available than in Europe.



The strips in Las Vegas, Nevada, have endless fast food brands – In and Out Burger, Jersey Mike's Subs, Panera, Wendy's, and on and on. Each brand shouting at you with outside fascias and today's offers. There's the ubiquitous drive thru providing suburban drivers with coffee, and pizza, and burgers, and more even including drive-thru ATMs.

I know these things because I've been immersed over the past couple of weeks with everyday Americans in their quotidian environment (in other words, not

on business trips which is how Brits tend to encounter going to a restaurant in the US) in Palo Alto and in Berkeley, California, in Las Vegas, Nevada, and in Bywater, Louisiana.

These experiences have also highlighted the differences in attitudes between us in Europe and those in the US. There is an amazing range of cultural differences across the US (just as there is in Europe), but Americans are much more likely to be entertained in other parts of their country – on vacation, to meet family – than Europeans are likely to be entertained in Europe. And an important motivator for the 'entertainer' is that they take their guests on a food tour of their local cuisines.

And then there are the different relationships between server and served in restaurants. Tipping is so ingrained in the US that it is now not unusual to be offered the choice of a tip of 30% on the credit card reader or at the iPad at the order counter – not only is the percentage high by European standards it may also be expected before the service provided.

And here's another example of the relationship between customer and restaurant: 'Our guests are requested to bus their tables'. Huh? To 'bus' means to clear up after you – in other words it can be a specific requirement for guests to do the work that they could expect the staff to do – for their 30% tip.

These are random things I've noticed. No doubt there are many more and I'll be sure to take the opportunity to point them out over the next few weeks before I return to the UK.

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

News in the past week

Restaurants

- Wagamama LfL sales rose 9% in April; delivery and takeaway sales fell -13%
- Restaurant Group LfL pub sales rose 10% in the 17 weeks to end April
- Mamma Dough acquired out of administration by the London Dough Co

QSR

- KFC UK system sales rose in the first quarter of 2023

Pubs

- Liberation Group LfL sales rose +4.7% in the quarter to 22 April 2023; food sales rose 2.8% in the managed estate.

Suppliers

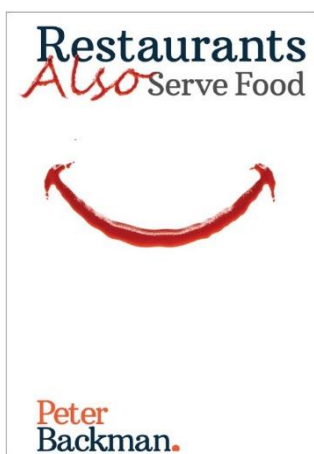
- Molson Coors Beverage Company net sales rose 5.9% in the most recent quarter

Delivery

- Deliveroo Hop to trial its service with Asda

Around the World

- Starbucks Corp consolidated net revenues rose 14% in the most recent quarter
- Marriott International net income rose 200% in the latest quarter versus 2022
- Domino's LfL system sales rose 10.7% in the first quarter of 2023 versus 2022
- Wingstop LfL sales rose 8% in the first quarter of 2023 versus 2022
- Yum! Brands system sales rose 13% in the first quarter of 2023 versus 2022; LfL sales rose 8%
- KFC LfL sales rose 9% globally in the first quarter of 2022 versus 2023
- Pizza Hut system sales in Europe, rose 3% in the first quarter of 2023 versus 2022
- Shake Shack system sales rose 27.5% in the first quarter of 2023 versus 2022



The revised edition of my book – **Restaurants Also Serve Food** – has now been published. It is addressed to suppliers, especially those who are proficient at selling to the retail sector but find selling to the foodservice sector is a challenge.

Here is just one of the many issues I discuss in the book: the unknown should always be expected in foodservice – and this means, for instance having too much back up resource 'just in case'. 'Just in case' can't be predicted; it is a built-in inefficiency, and inefficiency has costs. Operators, investors, and suppliers are all exposed to this inefficiency – and they have to confront the fact that they must face the costs of dealing with it. **Restaurants Also Serve Food** provides solutions to this, and many more conundrums – you'll find more about my book and how to buy it [here](#).