

Pub Visiting - UK - May 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Times have changed for the pub industry and publicans should be carefully working out how to tailor their food menus, for example by using local ingredients and tiering prices, to their customers to stave off competition from other pubs and restaurants.”

– Chris Wisson, Senior Drinks Analyst

This report looks at the following areas:

- The rejuvenation and importance of 'pub grub'
- Live sports on TV are a 'nice to have' rather than a 'must have'
- Pubs also need to tap into the family market
- Many pubs that have survived are well placed to now thrive

This report examines the market for pub visiting, with the primary focus on drinking in pubs/bars. A separate Mintel report, Pub Catering – UK, May 2014 looks at the role of food in pubs in more detail. The market size refers to total pub revenues, and includes food, alcohol, soft drink and other sales such as from snacks and vending machines.

All pubs (public houses) and bars have on-trade licences to serve alcoholic drink for consumption on the premises. These licences may also be granted to other outlets, such as hotels or cinemas, but a pub has at least some traditional characteristics that differentiate it from other bars.

Most pubs trace their heritage to close links, or 'ties', to a local brewery. The brewery traditionally owned the freehold, or a long lease, on the property and then either sublet it to a tenant (tenanted pubs) or installed its own landlord to run it (the managed estate). The managed/tenanted distinction still pertains to many 'estates' (owned groups) of pubs, but tenancies have often been replaced by more modern, long-term leases (leased pubs).

A 'pubco' (pub company) is independent from the control of a brewer, although it may negotiate long-term supply contracts with a single brewer and thus maintain close links with the brewing industry. Leased/tenanted pubcos make most of their money from supplying beer and other drinks to their tenants at wholesale prices. A free house has no contract to a specific pubco or brewer, and is run as an entirely independent business.

'Wet sales' refers to the proportion of a pub's turnover from drinks (sometimes confined to alcohol), while 'dry sales' refers to food turnover.

Crown copyright material is reproduced with the permission of the Controller of HMSO and the Queen's Printer for Scotland.

Market sizes at constant 2013 prices are devised using Mintel's catering deflator. Value figures throughout this report are at retail selling prices (rsp) unless otherwise stated.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
oxygen@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Pub Visiting - UK - May 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Introduction

Definition

Abbreviations

Executive Summary

The market

Figure 1: Forecast for UK pub industry revenues, 2008-18

Figure 2: Structure of the UK pub industry, by ownership/tenancy type, 1992-2012

Market factors

Declining alcohol consumption plays a part in fall in pub visits

The pressure of rising costs

Consumer confidence bounces back

Population changes will have an impact...

...as will external factors

Companies, brands and innovation

The consumer

One in five adults drink in pubs weekly

Figure 3: Frequency of visiting pubs/bars to drink and eat in, February 2014

Quality of food and service are most important factors for pub visits

Figure 4: Important factors during pub visits – Any mention of importance, February 2014

Some 46% of pub visitors think it is important for pubs to offer high-quality food

Figure 5: Attitudes towards pubs, February 2014

Recommendations key for pubs

Figure 6: Engagement with pubs outside visiting, February 2014

What we think

Issues and Insights

The rejuvenation and importance of 'pub grub'

The facts

The implications

Live sports on TV are a 'nice to have' rather than a 'must have'

The facts

The implications

Pubs also need to tap into the family market

The facts

The implications

Many pubs that have survived are well placed to now thrive

The facts

The implications

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Pub Visiting - UK - May 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Trend Application

Trend: Locavore

Trend: Access All Areas

Mintel Futures: Old Gold

Internal Market Environment

Key points

Alcohol consumption and pub visits in decline

Figure 7: Trends in UK per capita consumption of 100% alcohol, 2000-12

Figure 8: Volume trends in the sales of beer, by channel, 2008-13

Figure 9: Index of price of beer and wine in the on- and off-trade, 2007-13

Good news from the government

Figure 10: UK excise duty rates for selected alcoholic drinks, 2003-14

Alcohol minimum pricing plans shelved in England and Wales

The pub industry continues to shrink

Figure 11: Net number of pub closures, December 2007-December 2013

The tenant/pubco relationship looks set to change

Business rates are also an issue

Figure 12: Trends in the average rateable value of pubs in England and Wales, 2005 and 2013

Times of change for late-night drinkers?

Best Bar None

National Pubwatch

Purple Flag

Business Improvement Districts

Local Alcohol Action Areas

Bills, bills, bills

Figure 13: Trends in utility prices paid by non-domestic consumers (including the climate change levy), 2008-13

The majority of pubs continue to show live sport

Broader Market Environment

Key points

Consumer confidence bounces back

Figure 14: Consumer Confidence Index, monthly, January 2007-March 2014

Health considerations play a part in drinking habits

Pubs and the smoking ban

Figure 15: Attitudes towards smoking in pubs/bars, June 2013

An ageing population needs consideration

Figure 16: Projected trends in the age structure of the UK population, 2013-18

C2DEs could hold the key to growth

Figure 17: Projected changes in the socio-economic structure of the UK adult population, 2013-18

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Pub Visiting - UK - May 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The weather influences pub visits...

Figure 18: Hours of sunshine in the UK, by month, 2008-14

...as could the World Cup

Competitive Context

Key points

Pubs/bars prove to be resilient

Figure 19: Value of the UK leisure* industry, by segment, 2013

Value sales growth hides a mixed volume performance in alcoholic drinks

Figure 20: Value sales of selected alcoholic drink categories, 2008-13

Strengths and Weaknesses

Strengths

Weaknesses

Who's Innovating?

Key points

Coverage

Driving value for customers...

...to driving quality

Drink-driving remains a thorny issue

Figure 21: Deaths from drink-driving in Britain, 2006-12

Pubs and the community

Entertaining the masses

Market Size and Segmentation

Key points

Overall market growth masks a mixed performance in 2013

Figure 22: UK pub industry market size and forecast, 2008-18

Marginal value growth for alcoholic drinks

Figure 23: UK pub industry turnover, by segment, 2009-13

The importance of a strong food offering

Soft drinks sales plateau

The leased/tenanted market is struggling

Forecast

Figure 24: Forecast for UK pub industry revenues, 2008-18

Market Share

Key points

Managed operators continue to thrive and grow

Figure 25: Structure of the UK pub industry, by ownership/tenancy type, 1992-2012

Figure 26: Turnover of leading pub operators in the UK, 2011/12 and 2012/13

Figure 27: Leading pub operators in the UK, by outlet numbers, 2012 vs 2013

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Pub Visiting - UK - May 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Leased/tenanted venues continue to struggle
Potential for the freehold/independent segment to thrive

Companies and Products

Figure 28: Leading pub operators in the UK, by outlet numbers, 2011-13

Figure 29: Business mix of leading pub operators in the UK, 2013

Enterprise Inns

Company overview

Financial information

Figure 30: Key financial data for Enterprise Inns PLC, 2009-13

Figure 31: Enterprise Inns PLC turnover, by segment, 2012 and 2013

Corporate strategy and recent developments

Marketing support

Greene King plc

Company overview

Financial information

Figure 32: Key financial data for Greene King PLC, 2009-13

Figure 33: Greene King PLC revenue, by segment, 2012 and 2013

Corporate strategy and recent developments

Marketing support

JD Wetherspoon plc

Company overview

Financial information

Figure 34: Key financial data for JD Wetherspoon Plc, 2009-13

Corporate strategy and recent developments

Marketing support

Mitchells & Butlers plc

Company overview

Financial information

Figure 35: Key financial data for Mitchells & Butlers Plc, 2009-13

Corporate strategy and recent developments

Marketing support

Punch Taverns

Company overview

Financial information

Figure 36: Key financial data for Punch Taverns PLC, 2012 and 2013

Figure 37: Punch Taverns PLC revenue, by segment, 2012 and 2013

Corporate strategy and recent developments

Marketing support

Spirit Pub Company

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Pub Visiting - UK - May 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Company overview

Financial information

Figure 38: Key financial data for Spirit Pub Company PLC, 2010-13

Figure 39: Spirit Pub Company PLC revenue, by segment, 2012 and 2013

Corporate strategy and recent developments

Marketing support

Brand Communication and Promotion

Key points

Advertising continues to fall

Figure 40: Total above-the-line adspend in the UK by brewers and pubcos, 2010-13

Adspend highly fragmented and geared towards press

Figure 41: Expenditure on advertising, by brewers and pubcos, by channel, 2010-13

The Consumer – Frequency of Visiting Pubs

Key points

One in five adults drink in pubs weekly

Figure 42: Frequency of visiting pubs/bars to drink and eat in, February 2014

Figure 43: Frequency of visiting pubs/bars to drink in, by gender, February 2014

Three clusters of pub drinkers

Little year-on-year change in pub usage

Figure 44: Frequency of visiting pubs/bars to eat and drink in, February 2013 vs February 2014

The Consumer – Important Factors During Pub Visits

Key points

Quality of food and service are most important factors during pub visits

Figure 45: Important factors during pub visits – Any mention of importance, February 2014

Figure 46: Most important factors (ranked 1) during pub visits, February 2014

Is the price right?

Cleanliness of toilets and appealing facilities seen as 'nice to haves'

Furniture and facilities matter to a minority

Range and entertainment can support pubs' appeal

Live entertainment sparks minority interest

The Consumer – Attitudes Towards Pubs

Key points

Summary of attitudes towards pubs

Figure 47: Attitudes towards pubs, February 2014

The importance of food to pubs

Figure 48: Attitudes towards the quality/appearance of pubs, February 2014

Pubs in the community

Figure 49: Attitudes towards the positioning of pubs and visiting trends, February 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
 EMAIL: oxygen@mintel.com

Pub Visiting - UK - May 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Children in pubs divide opinion

Interest in trying new pubs

Cost plays a part in shaping pub visiting

Figure 50: Attitudes towards the cost of going to pubs, February 2014

Limited interest in new entertainment concepts

Figure 51: Attitudes towards themed discounts and subsidised taxi service, February 2014

The Consumer – Engagement with Pubs

Key points

Recommendations key for pubs/bars

Figure 52: Engagement with pubs outside visiting, February 2014

An up-to-date online presence is increasingly expected

Other forms of engagement only garner a niche response

Appendix – Broader Market Environment

Figure 53: Attitudes towards smoking in pubs/bars, by demographics, July 2013

Appendix – Who's Innovating?

Figure 54: Agreement with the statement "Pubs should be available at motorway service stations", by demographics, January 2014

Appendix – Market Size and Segment Performance

Figure 55: Best- and worst-case forecasts for the UK pub industry, by value, 2013-18

Appendix – The Consumer – Frequency of Visiting Pubs

Figure 56: Frequency of visiting pubs/bars to eat in, February 2014

Figure 57: Frequency of visiting pubs/bars to drink in, February 2014

Figure 58: Highest frequencies of visiting pubs/bars to drink in, by demographics, February 2014

Figure 59: Other frequencies of visiting pubs/bars to drink in, by demographics, February 2014

Figure 60: Frequency of visiting pubs/bars to drink in, by most popular attitudes towards pubs, February 2014

Figure 61: Frequency of visiting pubs/bars to drink in, by next most popular attitudes towards pubs, February 2014

Appendix – The Consumer – Important Factors During Pub Visits

Figure 62: Important factors during pub visits, February 2014

Figure 63: Most popular factors during pub visits, by demographics, February 2014

Figure 64: Next most popular factors during pub visits, by demographics, February 2014

Figure 65: Other factors during pub visits, by demographics, February 2014

Figure 66: Most important factors during pub visits, February 2014

Figure 67: Most popular factors during pub visits – Rank 1, by demographics, February 2014

Appendix – The Consumer – Attitudes Towards Pubs

Figure 68: Attitudes towards pubs, February 2014

Figure 69: Most popular attitudes towards pubs, by demographics, February 2014

Figure 70: Next most popular attitudes towards pubs, by demographics, February 2014

Figure 71: Other attitudes towards pubs, by demographics, February 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Pub Visiting - UK - May 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Appendix – The Consumer – Engagement with Pubs

Figure 72: Engagement with pubs outside visits, February 2014

Figure 73: Engagement with pubs outside visits, by demographics, February 2014

Figure 74: Engagement with pubs outside visits, by demographics, February 2014 (continued)

Figure 75: Engagement with pubs outside visits, by most popular frequencies of visiting pubs/bars to drink in, February 2014

Figure 76: Engagement with pubs outside visits, by next most popular frequencies of visiting pubs/bars to drink in, February 2014

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com