Business Confidence Survey

August 2024

Methodology

August 2024

The CGA Business Confidence Survey surveys performance, forecasts, and opinions, regarding the current and future state of the hospitality industry.

Those surveyed were in senior business roles, between 11th July and 2nd August 2024.

Results presented in this research are primarily based on responses from **Business Leaders**, defined as those from businesses managing five or more sites.

Supplemental data from single-site operators is also used for comparison, referred to as **Independents**.

The number of sites managed by Business Leaders equates to more than:

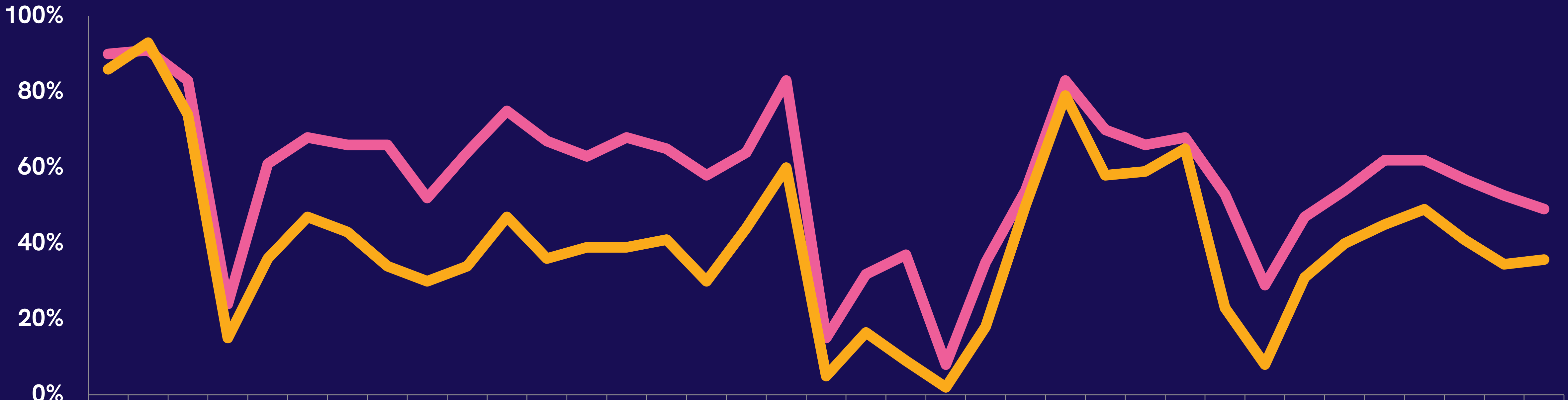
8,000 sites

Among the Business Leaders sample:

50% are at CEO / MD level
29% at Director or Board level
21% in other Senior Management positions

Confidence in the market has slightly increased by 2pp on last quarter, but Leaders' confidence in their own businesses has decreased by 4pp, narrowing the gap

*Business leader optimism in the **general market** and in **own business** (over the next 12 months)*



	Feb-14	Feb-15	Feb-16	Jul-16	Nov-16	Feb-17	May-17	Aug-17	Nov-17	Feb-18	May-18	Aug-18	Nov-18	Feb-19	May-19	Aug-19	Nov-19	Feb-20	Apr-20	Jun-20	Sep-20	Oct-20	Nov-20	Feb-21	May-21	Sep-21	Nov-21	Feb-22	Jun-22	Oct-22	Jan-23	May-23	Aug-23	Oct-23	Feb-24	Apr-24	Aug-24
Own business	90%	91%	83%	24%	61%	68%	66%	66%	52%	64%	75%	67%	63%	68%	65%	58%	64%	83%	15%	32%	37%	8%	35%	54%	83%	70%	66%	68%	53%	29%	47%	54%	62%	62%	57%	53%	49%
General market	86%	93%	74%	15%	36%	47%	43%	34%	30%	34%	47%	36%	39%	39%	41%	30%	44%	60%	5%	16%	9%	2%	18%	50%	79%	58%	59%	65%	23%	8%	31%	40%	45%	49%	41%	34%	36%

Jun-16
Brexit referendum

Apr-20
First COVID lockdown

Oct-20
Lockdown reintroduced

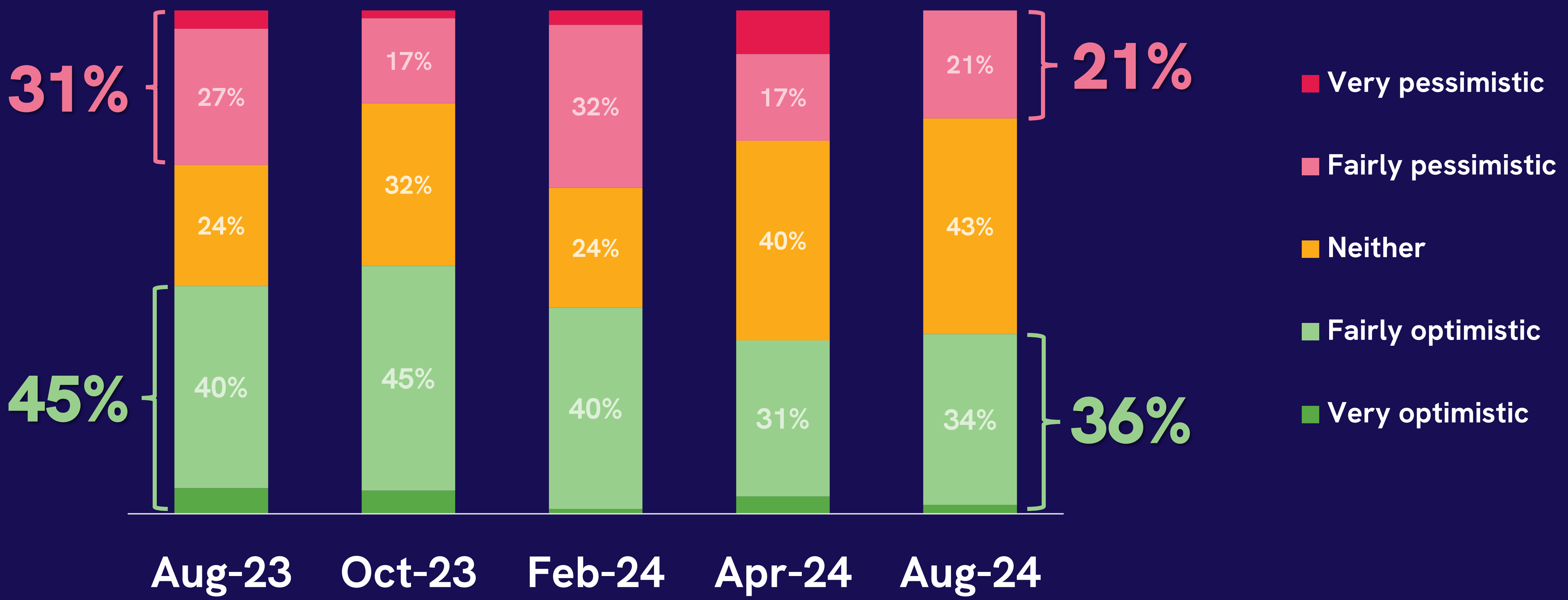
Oct-22
Inflation at a 40-year high

Jul-24
Labour Gov

CGA Business Confidence Survey, August 2024

However, focussing only on the 10pp decrease in optimism over the past year masks the similar 9pp drop in pessimism, with no Leaders feeling 'very pessimistic' in August-24. While businesses may not be entirely sure what the future holds, the outlook may not be as bleak as it once was

Business leader optimism in the general market



CGA Business Confidence Survey, August 2024

The latest quarter has also demonstrated impressive market resilience, with growth in site numbers across almost all sectors giving some cause for confidence

At the end of July 2024, there were

99,207

licensed sites in Great Britain.
Over the past year,

-969

net sites have been lost, equating to a decline of

-1.0%

Sector	Change vs last quarter	% change vs last quarter
Bar	+ 108	+ 2.5%
Bar Restaurant	+ 53	+ 1.6%
Casual Dining Restaurant	+ 48	+ 0.9%
Restaurant	+ 102	+ 0.7%
High Street Pub	+ 37	+ 0.6%
Nightclub	+ 3	+ 0.4%
Community Pub	+ 34	+ 0.2%
Food Pub	+ 3	+ 0.0%
Hotel	- 2	- 0.0%

CGA Powered by NIQ

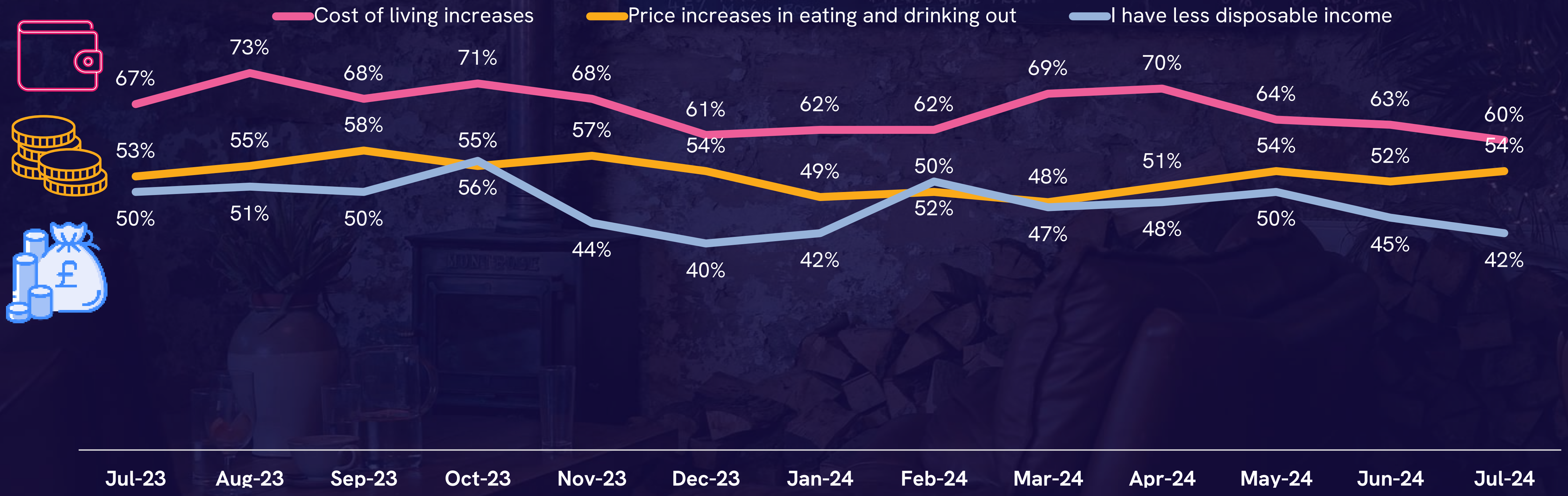
CGA by NIQ & AlixPartners, Hospitality Market Monitor, July 2024

Like-for-like sales have also remained in above-inflation growth in recent months, with the capital driving higher sales

CGA by NIQ & RSM, Hospitality Business Tracker

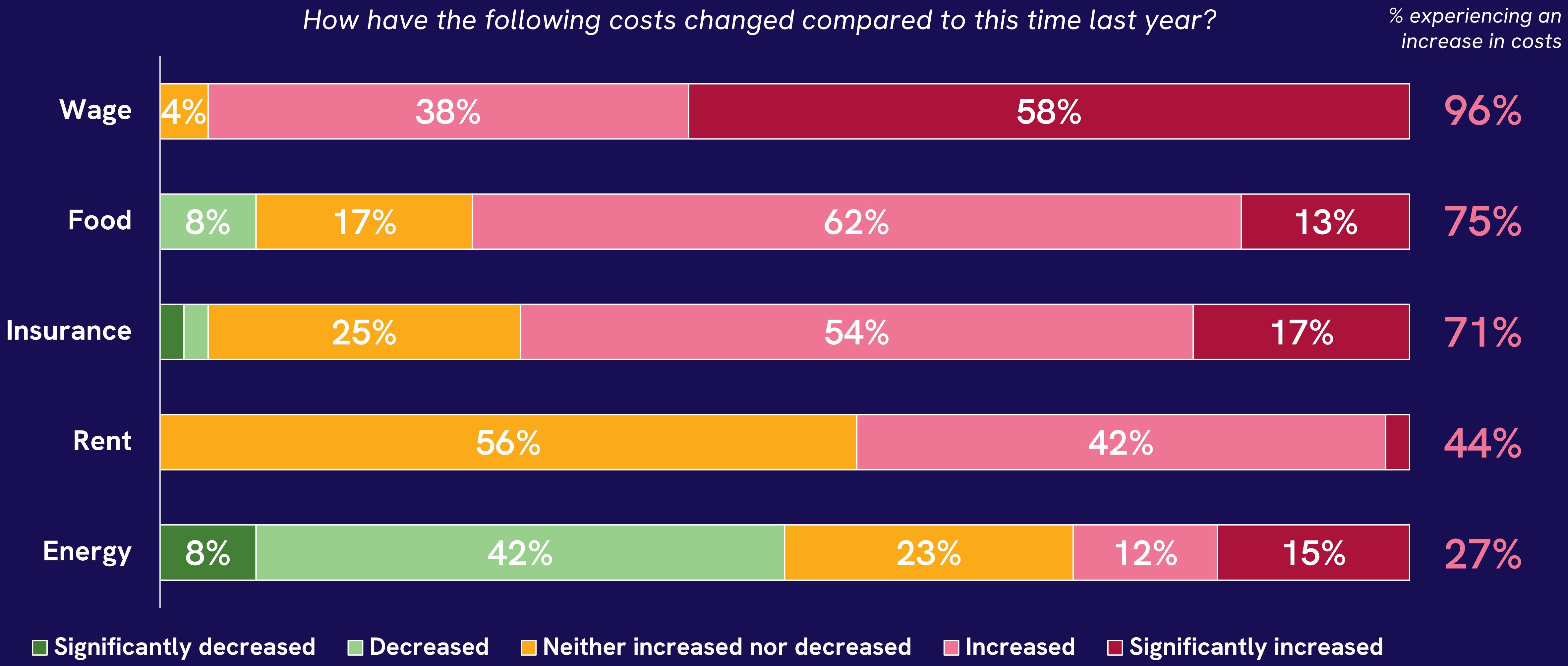
Cost of living increases and restrictions on disposable income continue to reduce their impacts on consumer hospitality frequency too, in a potential sign that wider cost-of-living pressures are easing. However, the slower proliferation of food price inflation may cause price increases in eating and drinking out to rise for some time longer

You have said you are going out less frequently, why is this?



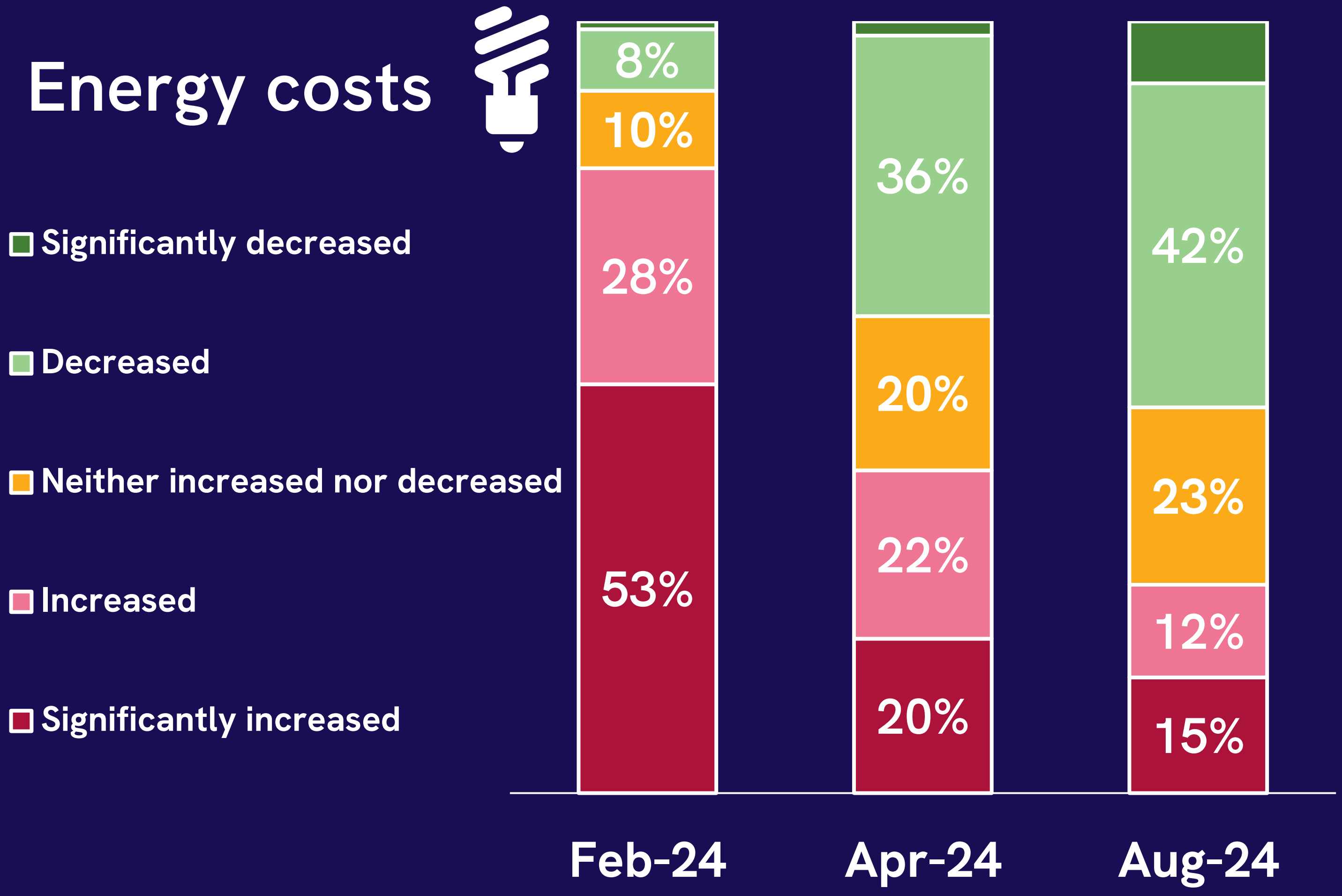
CGA by NIQ Cost of Living Consumer Pulse (1,047 UK&I Consumers) December 2023

Most operators continue to see their costs increasing but, like inflation, the rate of increase is slowing



CGA Business Confidence Survey, August 2024

Energy costs have significantly turned around, with half of Leaders now reporting their costs down on last year



CGA Business Confidence Survey, August 2024

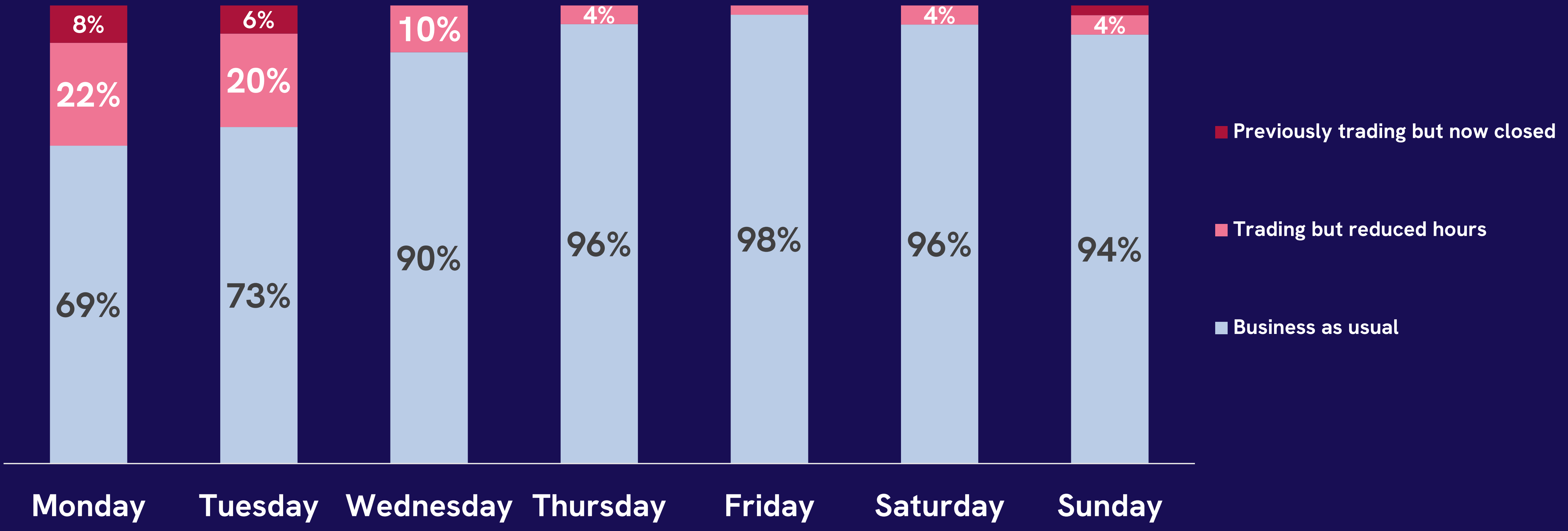
However, decreases in footfall, and increasing operating pressures, have led to

33%

of Leaders reducing trading hours in their estate

Operators have mostly reduced trading hours, and some even ceased trading, in early midweek slots. Trade on Thursdays to Saturdays has been protected

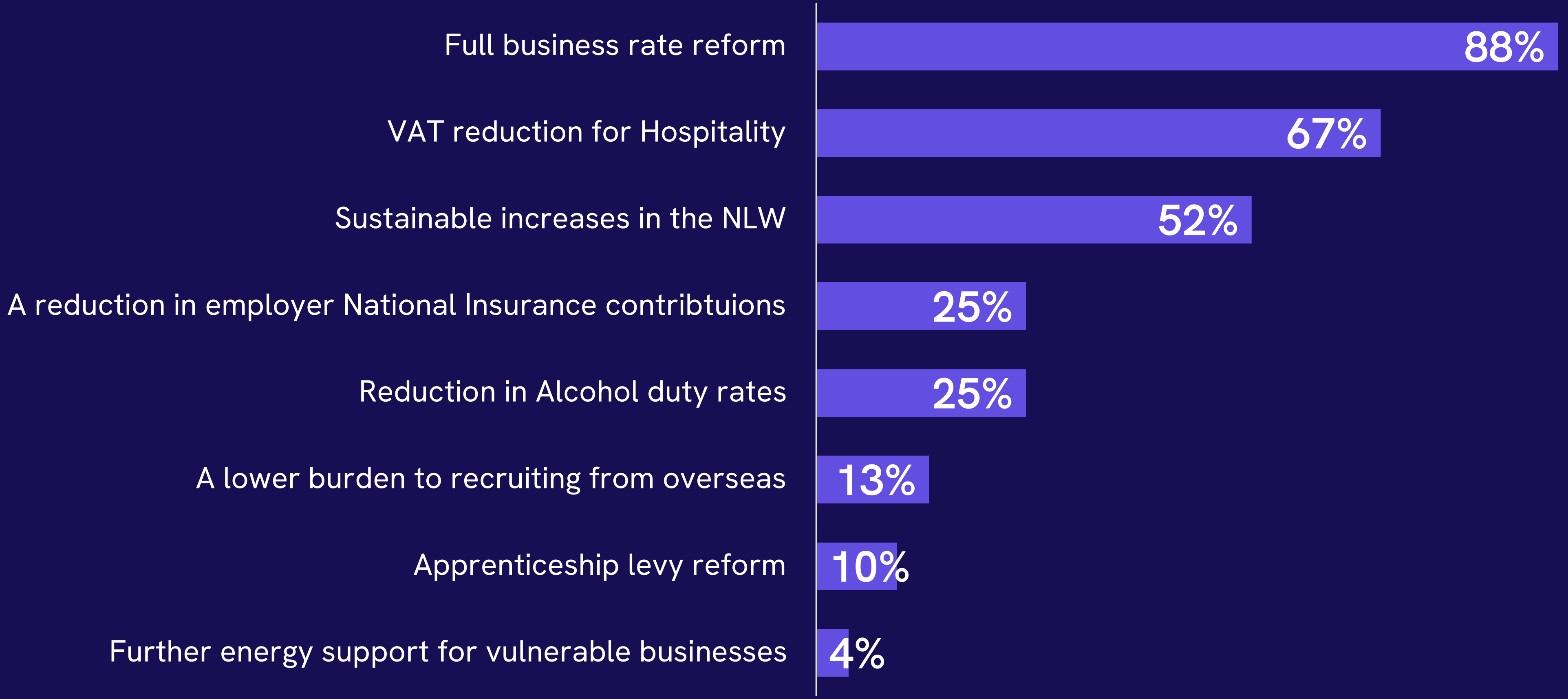
Compared to a year ago have you made any reductions to trading hours on the following days?



CGA Business Confidence Survey, August 2024

While short-term Business Rates relief is key, longer-term reform remains the top demand from the industry. NLW impacts also see half of operators prioritising Government action here

*Of the future Government support that could allow your business to grow, what are **the top 3 that are most important** to you?*



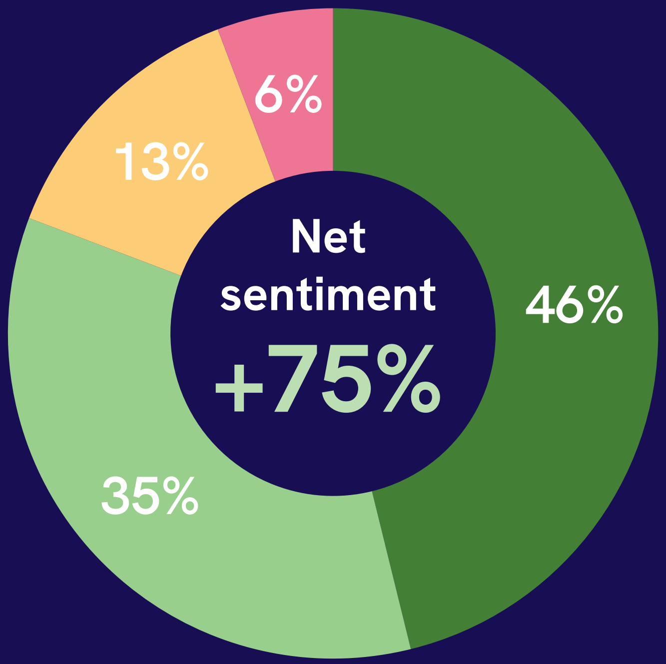
CGA Business Confidence Survey, August 2024

While opinion varies among other manifesto pledges, Leaders are firmly in favour of the new Labour Government's intention to replace Business Rates and the Apprenticeship Levy

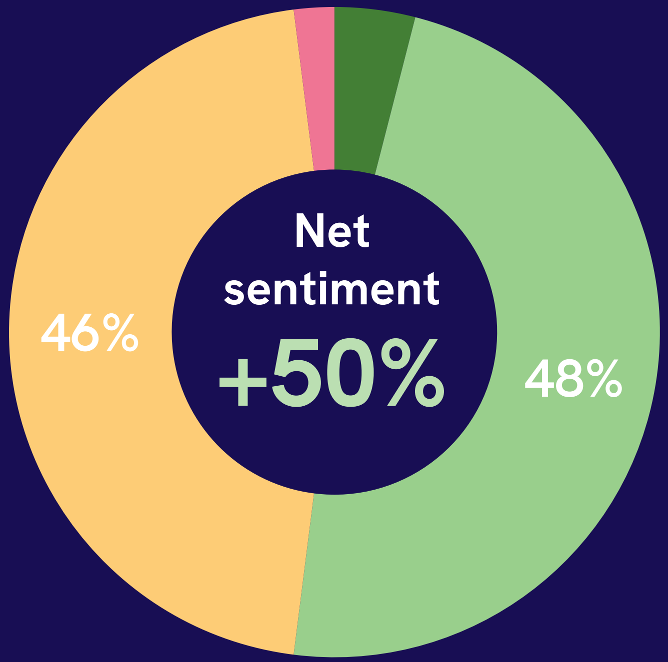
Thinking about these Labour Party proposals, please indicate what impact these policies will have on your business?

Very negative	Quite negative	Neither	Quite positive	Very positive

"Replace business rates with a new system that would raise the same revenue in a fairer way, and level the playing field between the high street and online giants"



"Replace the Apprenticeship Levy with a broader Growth and Skills Levy"



CGA Business Confidence Survey, August 2024

Contact Us

To learn more or to speak to a member of the team,
please feel free to get in touch:

Reuben Pullan
Senior Insight Consultant
Reuben.Pullan@nielseniq.com