

## Nightclubs - UK - December 2010

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### What is this report about?

The UK nightclubs industry has endured a tough past few years as a result of increased competition from late-opening pubs and bars, the smoking ban and the economic recession. The result has seen a significant contraction in the size of the industry, in terms of revenues, admissions and club numbers. In 2010, the market is estimated to be valued at £1.48 billion, a fall of 19% compared to 2005.

### What have we found out?

- The UK nightclubs industry has endured a torrid time during the past two years as it struggled to deal with the toxic combination of later opening pubs and bars, the smoking ban and an economic downturn.
- The trading environment in 2010 has proved as tough as 2008 and 2009 before it, with the year starting off and ending with disruption due to snowy weather, while in June and July the football World Cup also acted as a major distraction for customers. Market value is expected to have fallen by approximately 10%, with admissions down slightly less than this.
- Looking forward, the prognosis for the industry is mixed, with the contraction in terms of revenue, admissions and club numbers set to continue during the next five years but the pace of decline set to ease towards the end of the period.
- While Mintel's research among internet users aged 18+ found that 71% considered themselves to be nightclub-goers, 34% went less often than once a year and the vast majority who went more frequently than this were infrequent visitors. Just 6% were regular clubbers who went around once a fortnight or more often, heavily concentrated among the 18-24 year-old age group.
- Live music and comedy (cited by 36% and 24% respectively) are most likely to encourage people to visit nightclubs more often or start visiting them. In these cash-strapped times, it is no surprise to find that an inclusive deal incorporating a ticket and several pre-paid drinks was also popular.
- The most popular main drink among regular clubbers is vodka, followed by lager. However, whereas lager drinkers simply switch to another type of drink in vodka if they wish to drink an alternative to their main drink, vodka drinkers are most likely to choose cocktails, providing club operators with a good opportunity to encourage upselling.

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