

## Pub Visiting - UK - May 2016

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*"Many publicans have evolved their venues and placed a greater emphasis on food in order to remain profitable. That 'high-quality food' is the factor which is most likely to entice people to try a new pub underlines how an appealing menu can help to pubs to broaden their customer base."*

– Chris Wisson, Senior Drinks Analyst

### This report looks at the following areas:

- New National Living Wage puts pressure on pubs
- Pubs should look to embrace technology more
- Balancing food and drink opportunities

Pubs remain a central part of the British way of life, with 87% of adults frequenting them and the market reaching £23 billion in 2015. However, the industry remains under pressure and in the midst of a period of significant modification. The introduction of a market rent-only option (MRO) for many 'tied' tenants by the end of 2016 is set to add further change.

Pubs are still closing at a rate of more than 25 per week, with the downturn in on-trade sales of drinks such as beer a core reason for this. Despite the government's intervention by cutting alcohol duties in recent years, on-trade prices remain much higher than in the off-trade, contributing to a reduction in many pubs' footfall. A variety of developments such as the National Living Wage and new alcohol guidelines are set to pose additional problems for many landlords.

As a result, many pubs have looked to adapt by putting an increasing emphasis on food in attempts to compete more effectively against restaurants for the leisure pound. That a much higher share of pub-goers prefer venues with dining space than without shows the rising expectations for pubs as food venues. A high-quality food menu can help landlords to position their pubs as destination venues, appealing to key groups such as families and older age cohorts. However, there are also a number of drink-related opportunities for landlords to tap into in the coming years, such as craft beer's growth and the newer popularity of wine on tap.

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### DID YOU KNOW?

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

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### The Market – What You Need to Know

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High-quality food is the main draw to try a new venue

Dining space is a draw for many pub-goers

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Forecast methodology

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