



KAM

RETURN OF THE PUB 2022

In partnership with



BRITISH INSTITUTE OF INNKEEPING

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Foreword

“

Our nations' pubs now face exceptional challenges as they start to rebuild their businesses after two years of closure and disruption. At the heart of these is the need to ensure that customers are now delivered a consistent fantastic experience to both retain and grow trade. We have again proudly partnered with KAM to provide critical insight on what customers are seeking in a post-pandemic world.

It is clear that the love for the great British pub has endured, however, our expectations of them have evolved enormously. As customers seek out an experience that cannot be replicated at home, our pubs will have to step up to this challenge. We have seen first-hand over the last two years their resilience, their ability to adapt, their innovation and the way they have reached out in their communities to help others despite their own uncertainties. I am sure that they will once again embrace the opportunities outlined in this report.

The road ahead is full of uncertainties, one thing is clear is the critical importance of creating fantastic experiences for customers bringing them back time after time. Whatever our pubs choose to offer, they must now deliver every time. At the BII we are passionate about inspiring, developing & supporting our members operating pubs across the UK, we will continue to do all we can to help great pubs thrive at the heart of every community.

”

Steven Alton
CEO of the British Institute of Innkeeping (BII)





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AFTER THE DUST HAS SETTLED

The COVID legacy for pub customers



Frequency of visits for pub-goers is likely to return to pre-pandemic levels this year

56%

Of pub goers say they will visit the pub at least once a week in 2022

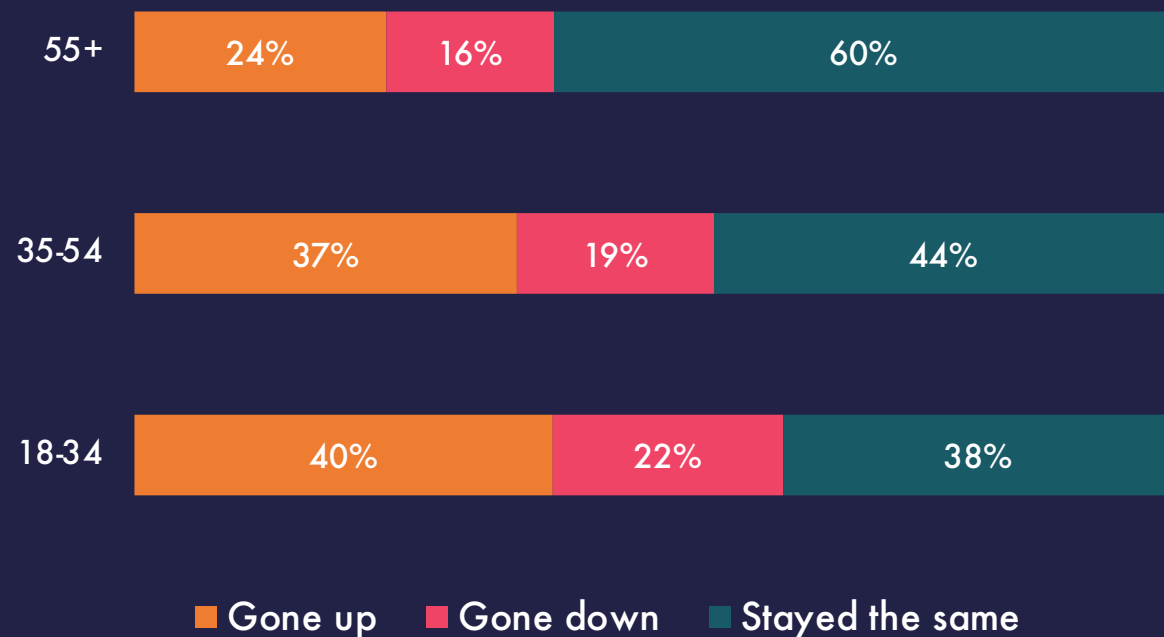
v 45%

Who said they planned to visit at least once a week post lockdown 1

Back in June 2020 we predicted an overall decline in pub visits of 12%. Which represented a loss of approx. 200 million pub visits, by regular pub goers, to UK pubs in the first 6 months following the first lockdown. However, the latest data suggests that confidence has returned, with the percentage of customers saying they will visit the pub at least once week matching the levels seen pre-pandemic, and significantly more than their predicted behaviour post lockdown 1.



The role of the Great British pub has grown in importance since the various lockdowns



35% of all pub-goers believe that the role of the Great British pub has grown in importance, for them personally, since the various lockdowns. This is significantly higher in the 18-34-year-old bracket.

37% also believe that pubs have grown in importance for their local communities since the pandemic.

Clearly, all age groups are recognising the role that their local plays in both their social lives as well as the role they play as the heartbeat of the local community.

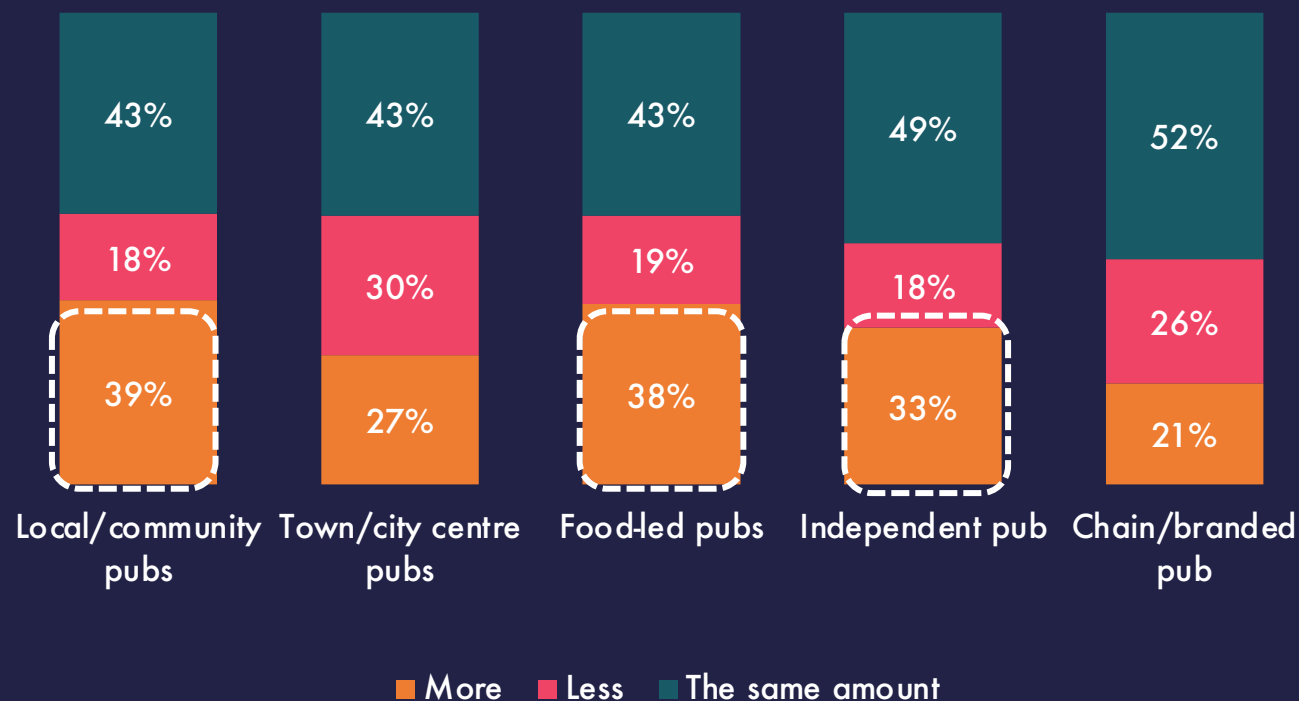


Local, independent, food-led pubs are set to fair best according to pub-goers

When it comes to which types of pubs customers will be visiting more of this year, we see a clear trend towards local/community pubs over town/city centre pubs. Independents over chains, alongside an increase in demand for food-led venues.

36% of us work from home at least once a week now, compared to 49% at the height of the pandemic (source: ONS). which matches the increase in demand for local pubs over those in town and city centres. However, we also see a trend towards consumers looking for more local/independent businesses in general and clearly this is also being seen within the pub sector.

Finally, with heightened consumer expectations about what experiences are worth leaving their homes for, we also see pub goers wanting more from their trips to the pub – a quality food offering is clearly one way in which pub goers feel they will get maximum value from their visit.



”

As pubs now get back into full swing after Covid restrictions came to an end it's a slow process of building back, but this is also done with a backdrop of seismic macro and behavioural change in the UK. Cost escalation, supply chain issues and labour shortages are one thing BUT we must also now adapt to a new consumer landscape with new habits brought about because of Covid that won't simply wash away. At the forefront of this is the hunger for exceptional experiences and an increased awareness of what constitutes value for money, this may be challenging for operators but it is prevalent in the here and now and won't change. Mediocrity is no longer acceptable- to survive only the exceptional will suffice.

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Anthony Pender
Co-Founder, Yummy Pubs

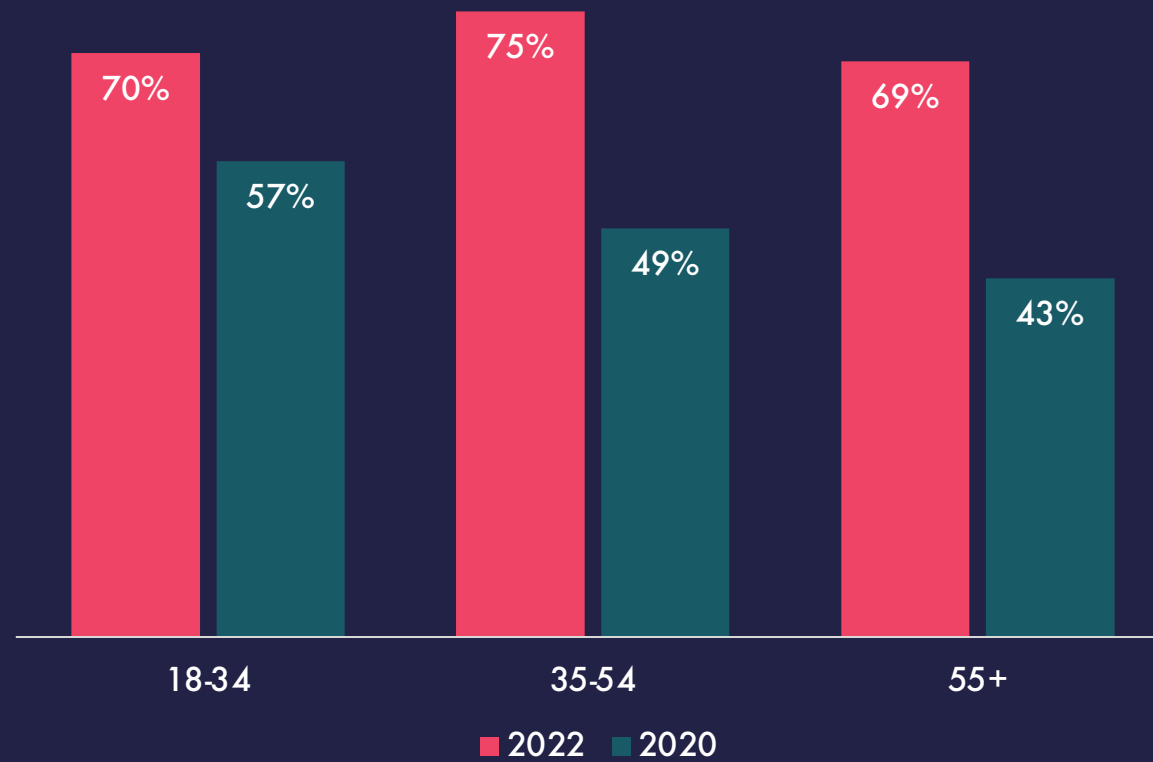




Pub goers are feeling safer when it comes to visiting their local pubs

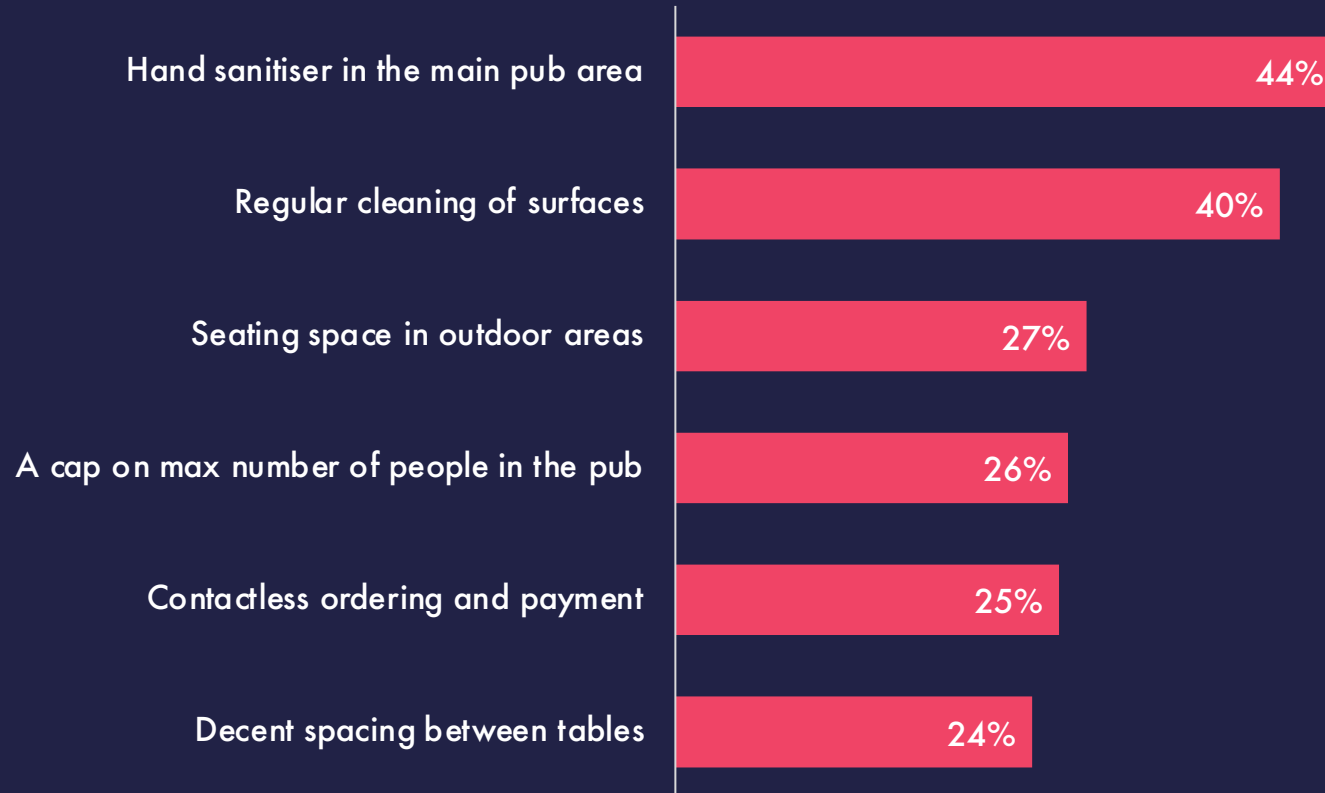
Compared to sentiment back in June 2020, pub goers now feel significantly safer visiting a venue. We see increases in customer confidence across all age demographics.

Customers' perceived safety was one of the most important factors that they considered when visiting pubs during the first easing of lockdown and was the biggest barrier that many venues were focussed on overcoming. This, therefore, is very encouraging and shows that, for the majority of pub goers, that safety concerns are no longer a barrier to visit.





However, they still expect certain 'measures' to remain for now



Although the majority of pub goers feel safe inside the venue, they still expect certain measures to remain in place in a 'post-pandemic world'. Outside of a continued vigilance on cleanliness, we see pub-goers still looking for venues to be aware of the number of patrons inside at any given time, with caps on max numbers, decent spacing between tables and outside seating areas all still wanted by 1 in 4 regular pub goers.

Whilst ensuring we maximise the space we have, pubs must still be mindful that the last 2 years have created a fundamental change in customer mindset and consequently their behaviours.



Pub-goers empathise with potential price increases but they will still be a turn off for many

With VAT on the increase, adding to the numerous other financial pressures that pubs are facing, the price of food and drinks in pubs is set to rise.

From the perspective of the consumer, they can see the price increases coming and they understand and empathise with the situation. The modern consumer is an educated consumer and they are aware of the pressures that pubs face, as many will be facing similar pressure in their own workplaces and at home.

However, nobody is immune to price rises and 1 in 2 pub goers are saying that they are likely to visit pubs less often as a direct result. So what can pubs do? Keeping prices down is a tough ask, so pubs should look at ensuring that they can maximise the 'added value' wherever possible. Consistency of quality serve, consistency of quality of staff, alongside cleanliness, atmosphere, events, etc. etc. Every asset must be sweated to its maximum if we want to ensure that customers are not just understanding of the price increases but that they are happy to pay them as well.

75%

Of pub goers say they expect prices in pubs to **increase** in 2022

80%

Believe that it's **acceptable** for pubs to increase their prices

49%

Of pub goers, though, say that they are **less likely** to visit pubs as often as a direct result of the price increases



KEY TAKEOUTS

Frequency of visits for pub goers is likely to return to pre-pandemic levels this year with 57% of those we spoke to saying they will visit the pub at least once a week, on average, in 2020.

Various lockdowns have strengthened the bond that pub-goers have with their local. The importance of the Great British pub has grown, to both them personally, but also as part of their local community.

There is a clear shift in pub customers' preference towards local, independent, food-led pubs as general consumer behavioural trends impact pub visiting habits.

Pub-goers do feel much safer visiting pubs than they did just after lockdown 1, however, there is a legacy of 'safety measures' which, for many, are part of the 'new normal'. Pubs must find the right balance between maximising footfall and ensuring all customers feel 'safe'.



THE ROLE OF THE PUB

The evolving function that the pub plays in the lives of customer's today

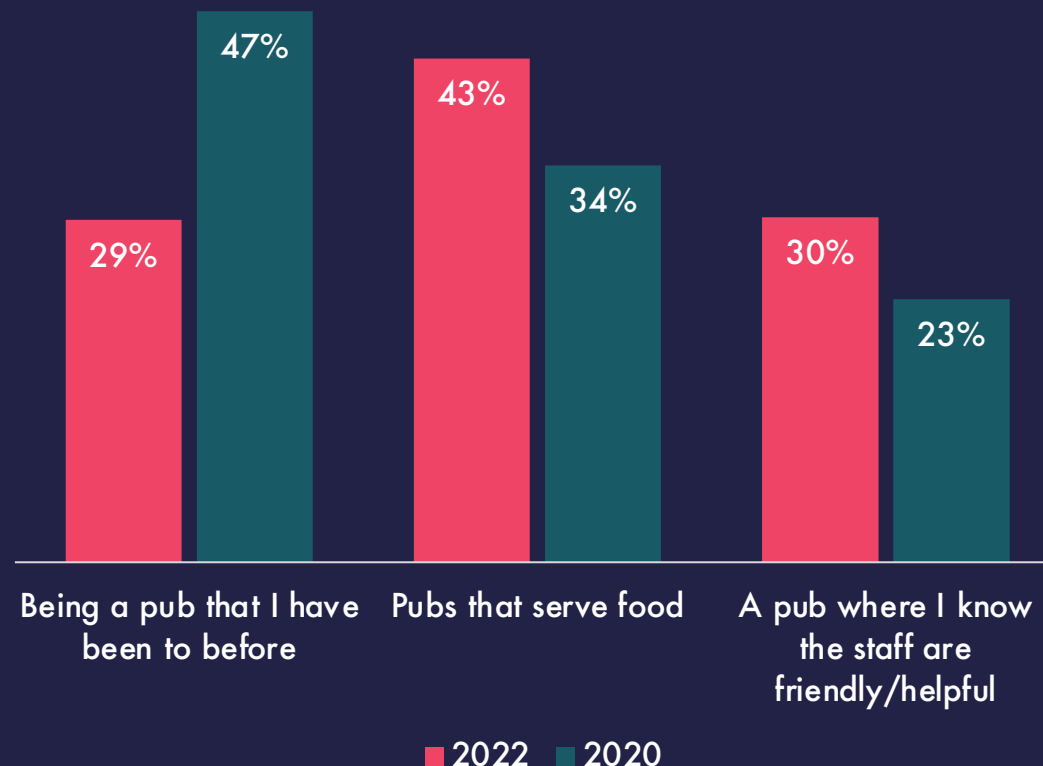


There has been a shift in what matters most to pub-goers

There are three clear shifts in behaviour of pub goers in terms of what factors are most likely to influence their choice of pub now, compared to 2 years ago.

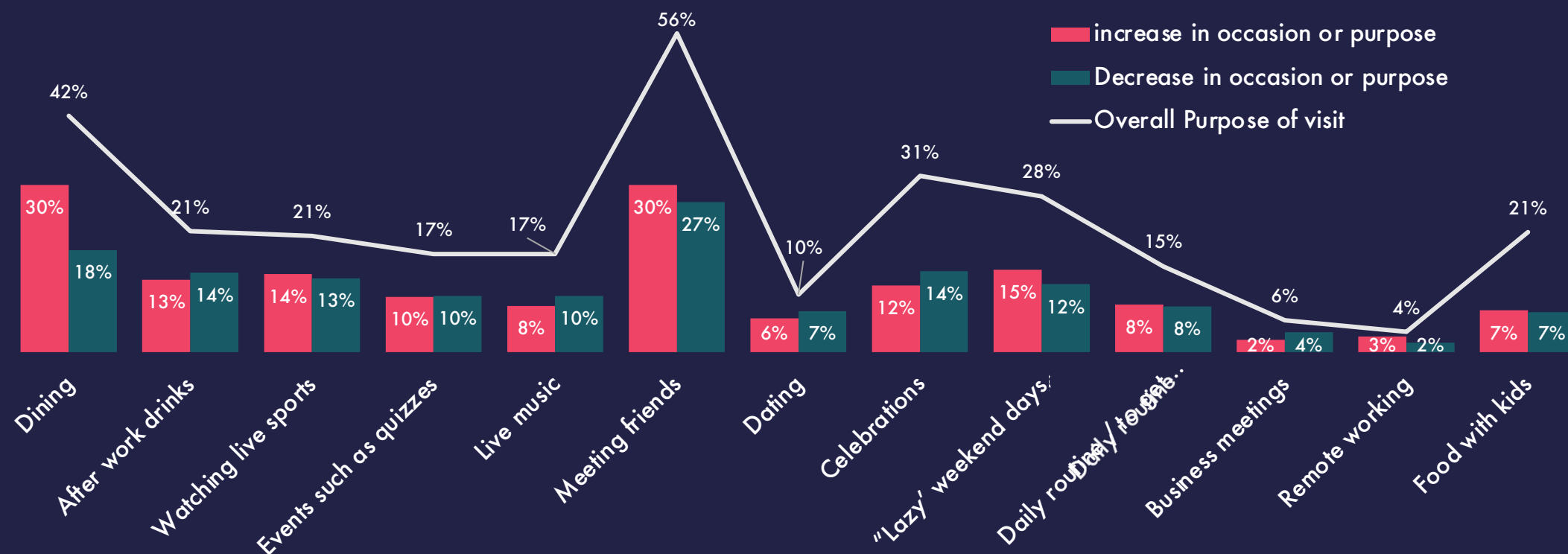
In June 2020, pub goers were likely to stick to what they knew, but now we are seeing a clear desire to be more adventurous with their choice of venue and they are almost twice as likely to be looking to try somewhere they've not been to before.

We also see an increase in demand for friendly and helpful staff as customers place a greater value on the human interactions that can't be replicated when having a 'night in'. Having already seen the greater value that customers are placing on pubs that have a quality food offering, we again see that highlighted here with food being a major factor in influencing pub goers decisions.





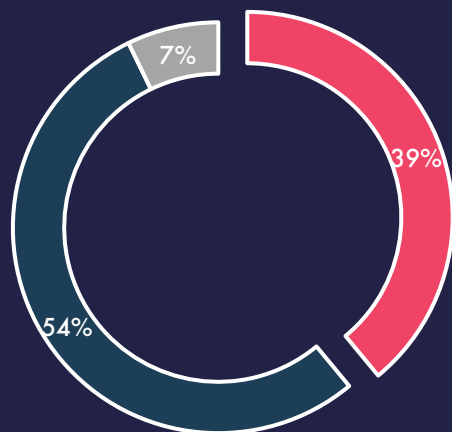
'Meeting with friends' and 'dining' remain the most prominent two occasions for visiting a pub, with 'dining' experiencing a 11.6pts net increase (more vs less)





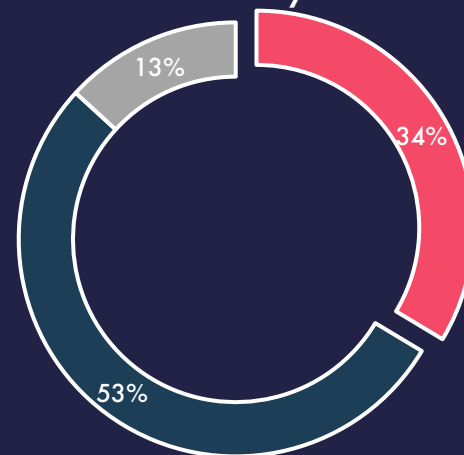
Pubs are increasingly becoming a vital part of creating a vibrant local community

Importance of pubs in creating a vibrant community



Very important Somewhat important Not important

Does your local pub engage with the community?



Yes - definitely Yes - somewhat No

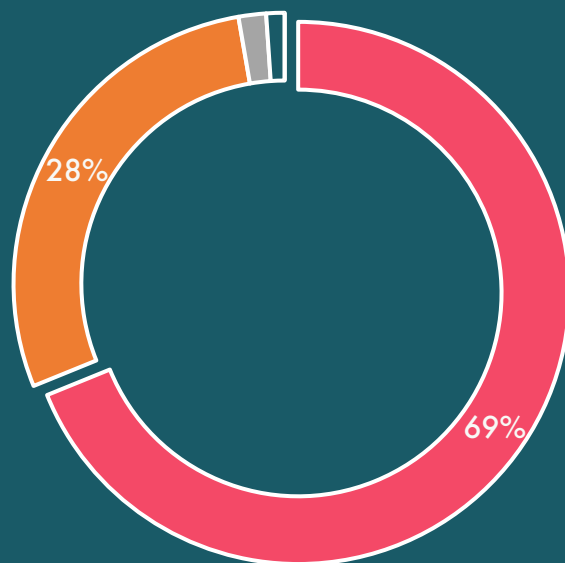
Not only do pub-goers believe that pubs SHOULD play an important role in creating a vibrant community, the majority of them also feel that their local pub has stepped up over the last couple of years and is actively engaging with the community. Pubs have, historically, always been a hub for the local community, a 'second home' if you will. We may have lost that connection in the recent decades, but hopefully a positive from the last 2 years is the return of the pub being a beating heart of a vibrant community.



Pub operators, in tandem with their customers, understand the importance of their venue's role in the community

How important is your pub in supporting the local community?

- Very important
- Important
- Neither important nor unimportant
- Unimportant
- Very unimportant



97%

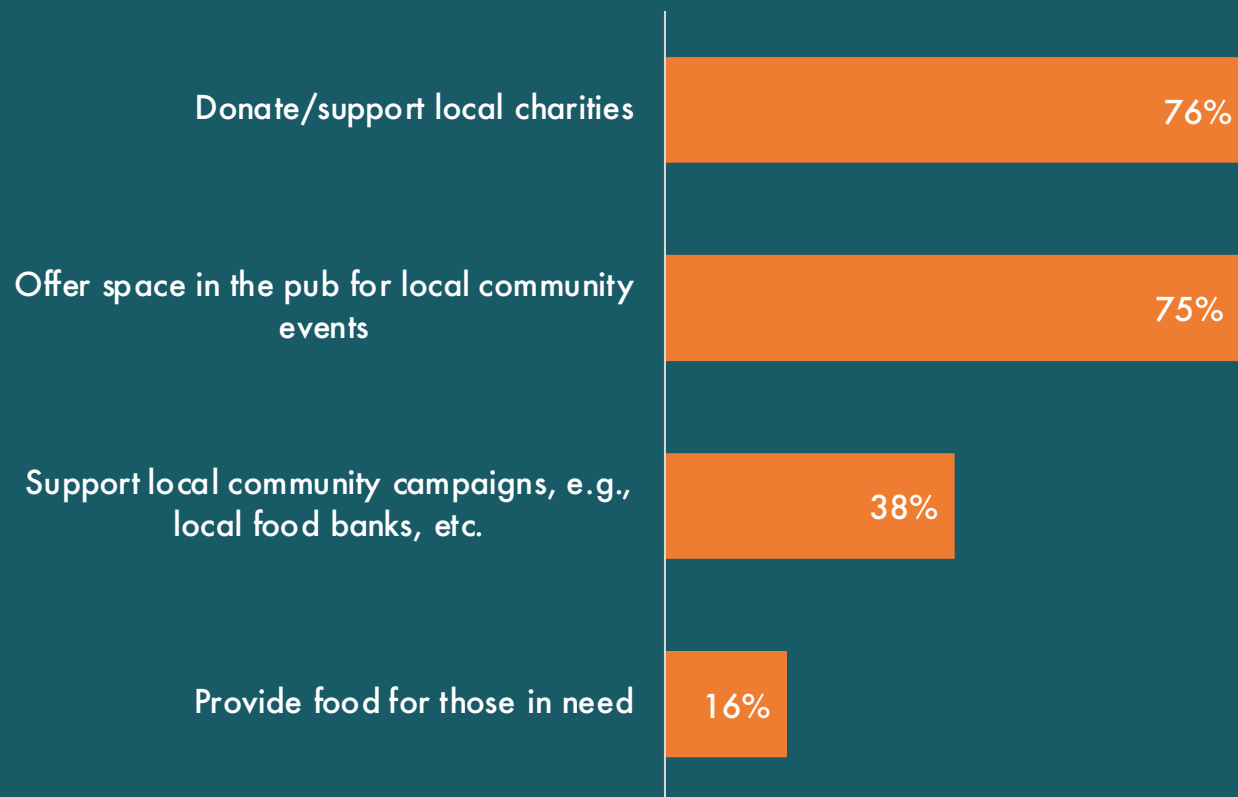
Of pub operators think its at least 'important' to support the local community

As we saw earlier, 93% of pub-goers feel pubs are 'somewhat important' in creating a vibrant community and only 13% of pub goers feel their local pubs do not engage with the local community. Both parties have the same understanding and expectations when it comes to the importance of pubs in community life.

Given this mutual feeling, pubs should look to the community to support on events and activities while bringing custom back after 2 difficult years



Community engagement, from the perspective of the operators, comes in the form of space for local events and charity support



As we move out of the pandemic, pub operators are well placed to build on their relationship with the community.

"We hold musical memories and friendship clubs once a week for lonely and isolated".

"Free meeting space and discounted events"

"Support village events by providing prizes etc"

"Actively support local sports teams"

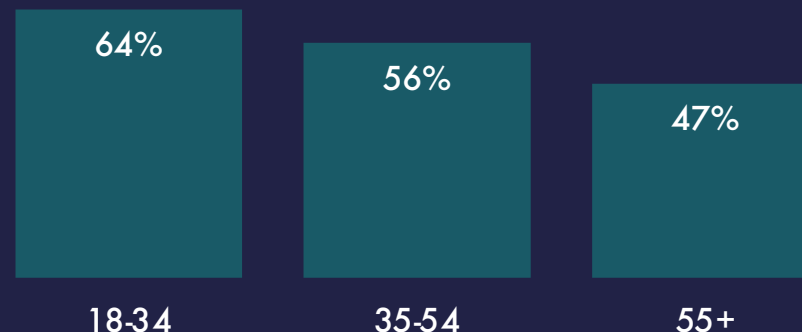
"Will put on spread at funerals etc for those who cannot afford it without making a issue of it"

Pubs play a vital role in supporting the mental well-being of their customers

88%

Of pub-goers say that visiting their local pub is GOOD for their mental health

% who think pubs could be doing MORE to support their customers' mental health



9 in 10 pub customers feel pubs are good for their mental health, i.e., socialising and getting away from the TV, smartphones, etc. 1 in 4 people will experience a mental health problem of some kind each year in England, whilst 1 in 6 people report experiencing a common mental health problem (like anxiety and depression) in any given week in England (Source: MIND). It's clear, therefore, that pubs are a vital part in the lives of many people throughout the UK. However, could pubs be doing more? 56% of pub goers feel they can, which rises to almost 2 in 3 of those in the younger age brackets.



Pub operators understand the importance of their business to the mental health of customers, but need support to be able to do more to help

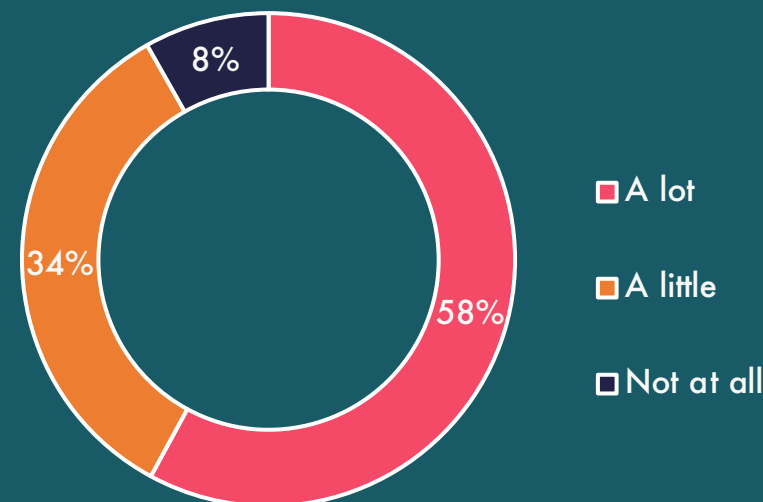
98%

Of pub operators say that pubs are good for a customers mental health

34%

Of pub operators say they do 'a little' to actively support the mental health of customers, while 8% do nothing at all.

Levels of support for mental health from operators



Although, essentially, every operator believes that pubs play an important role in supporting mental health, around 1 in 3 say that they could be doing more. Education and staff training are just two ways in which pubs could look to ensure that they are not only a place for customers to relax in but that they can also play a supporting role in their lives.



KEY TAKEOUTS

There are three clear shifts in behaviours from pub-goers in terms of what factors are most likely to influence their choice of pub, they want to be more adventurous with their choice of venue and are almost twice as likely to be looking to try somewhere they've not been to before. We also see an increase in demand for friendly and helpful staff as customers place a greater value on human interactions

'Meeting with friends' and 'dining' remain the most prominent two occasions for visiting a pub, with 'dining' experiencing a 11.6pts net increase (more vs less).

Pubs are increasingly becoming a vital part of creating a vibrant local community. The rise in the idea of 'shop locally' and supporting the community is having a positive impact on the perception of pubs.

Pubs are seen to play an important role in supporting the mental well-being of their customers – but this also means people are looking for pubs to do more to help promote mental health and to provide support, in any way they can.



ENHANCED EXPERIENCES

An increase in demand from customers for pubs to go above and beyond



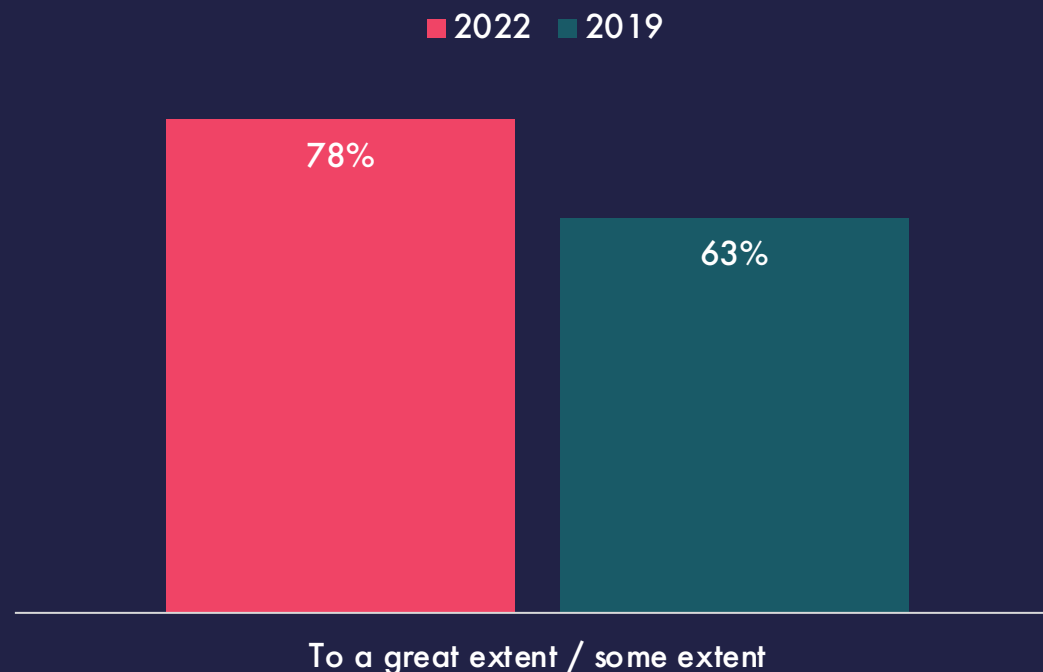


Pub-goers are increasingly looking for an experience that they can't get at home

Back in 2019, as part of the KAM 'Ontrade Outlook' study, we asked pub-goers 'To what extent they were looking for pubs to provide them with an experience that can't get at home'. 63% said to a great/some extent, whereas, in 2022 that figure is now 78%.

An increase in expectation of 24%

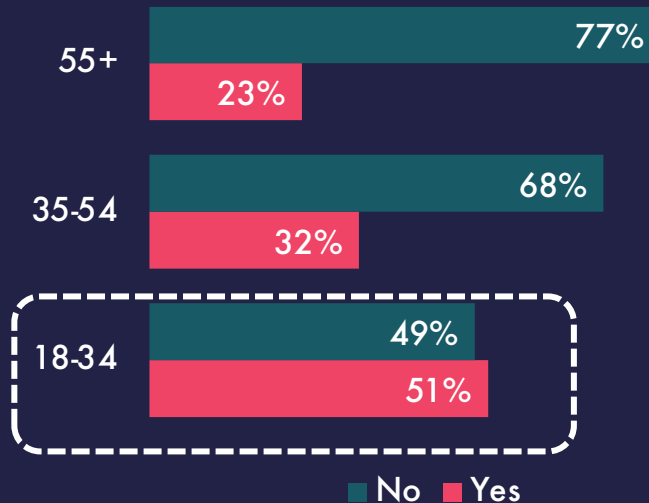
As a nation we have been forced to spend more time at home than we would ever have done over the last 2 years, and that has created a new set of occasions for traditional pub goers, who now know the types of experiences they can have at home Vs going out. So when they go out they are, more than ever, looking for an experience that is less easily replicated at home. Be that a perfectly poured real ale, an expertly crafted cocktail, delicious food or a vibrant atmosphere – pubs are increasingly being asked to deliver more than simply a drink and a chair.



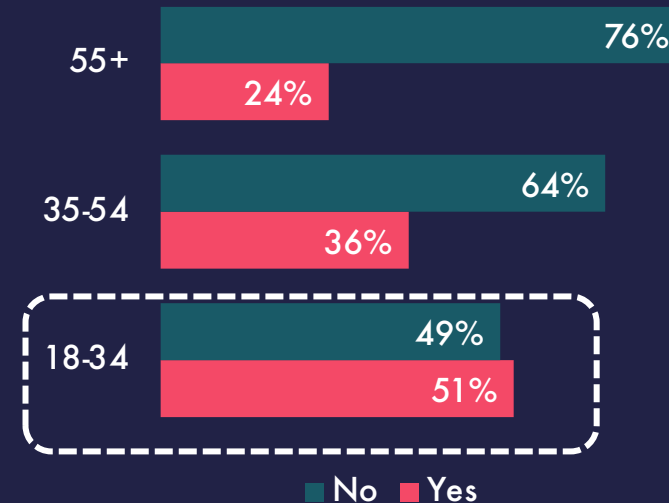


Live TV sports and events are a great way to drive footfall back into pubs

Have you attended any particular event in the past 3 months?



Have you watched live sports on TV in the last 3 months?



Following on from delivering an experience that customers can't easily replicate at home, we look at two particular drivers, which albeit, traditional, remain fantastic ways to drive footfall to venue. Events such as pub quizzes, live music as well as organised clubs and group meet-ups, for example, alongside live TV sport are sure-fire ways to deliver pub-goers that elusive experience and atmosphere that they just can't get at home. Both of these are of particular interest to both the Gen Z or Millennial pub customer

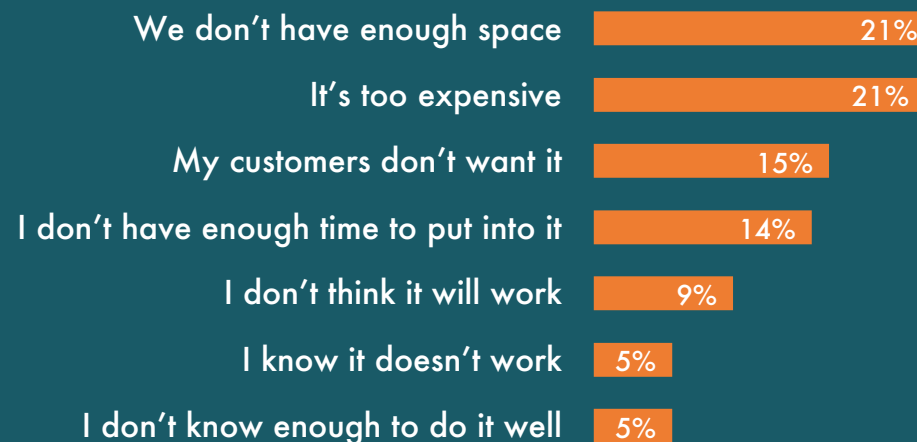


Pub operators see the importance in doing events well, but 1 in 2 see barriers

80% Pub operators say
activities/events are
important to offer the
customer

Space and expense are the two biggest barriers to putting on events and activities in venues. We must work together to provide solutions that can be flexed to meet all pub types in order to ensure we continue to deliver an experience that customers can't get at home

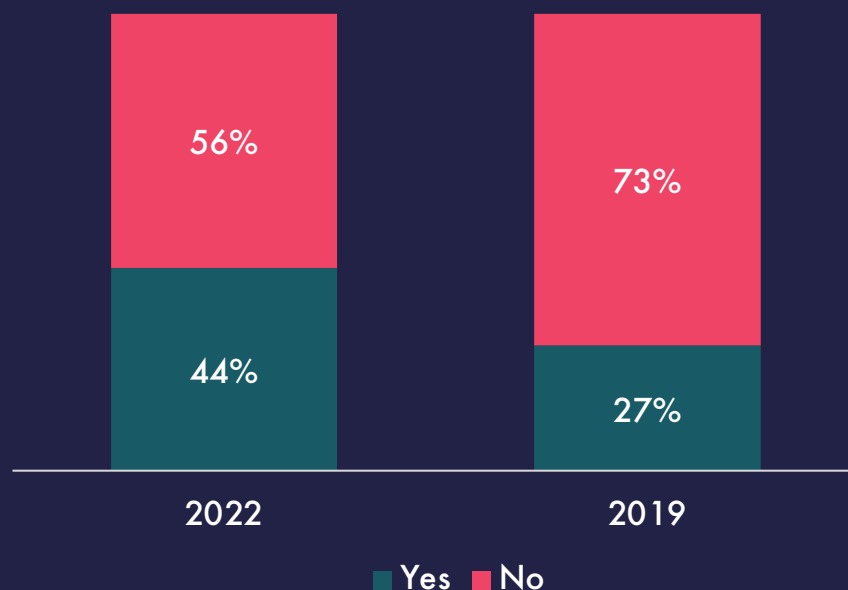
Yet 52% say they experience barriers to
hosting events and activities in their venues





Pub staff are playing a more active role in encouraging upgrades on food/drink orders

Have pub staff tried to upsell/upgrade your order?



55%

Of pub-goers said that staff upselling **WORKED**

Around 3 years ago, only 27% of pub goers said that staff had attempted to upsell or upgrade their food and/or drink orders within the last 6 months. Roll forward to Spring 2022, and this figure is now 44%. Clearly, there is a concerted effort by pub staff to engage and interact with customers in order to maximise the value from every visit.

It can be a very successful way, if done correctly, to drive additional revenue. We know that the majority of customers don't mind it and more than 1-in-2 said it worked the last time it happened to them.



72%

Of pub operators say
that staff are
encouraged to
upgrade/upsell to
customers



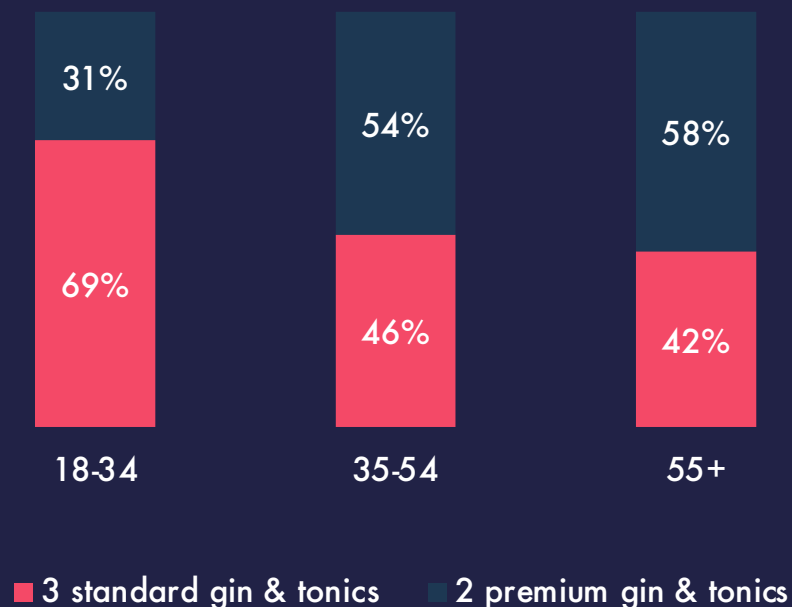


The premiumisation opportunity is a consequence of pub customers looking for an enhanced experience

When given a hypothetical scenario, in which, for the same amount or money, customers could *either* choose 3 standard gin & tonics OR 2 premium gin & tonics, they were relatively evenly split. With 52%, overall, choosing the 3 drinks compared to 48% going with just the two.

What this shows is that customers are willing to spend more on less- if the quality and experience is right. They want to have an enhanced experience and want to treat themselves when going out. In particular, we see a skew towards greater premiumisation with the older demographics, from 35+.

Pubs must consider their ranges across all categories to ensure they have a good, better, best solution in order to move customers up the value ladder and into the more premium products.





KEY TAKEOUTS

Pub-goers are 24% more likely to be looking for an experience that they can't get at home, when they visit a pub. Pubs therefore have to look at every point of the customer journey and ensure they are delivering an experience that is above and beyond customer expectations.

For example, both live TV sports and events are a way to drive footfall back into pubs as they both tick the box in terms of giving customers an experience and an atmosphere that is difficult to replicate at home.

The number of customers saying that staff have attempted to upgrade their food and/or drink orders has almost double in the last 3 years. This is a positive step in the right direction as staff play a vital role in ensuring pubs can maximise the value from every guest visit.

As a direct result of customers looking for an enhanced experience we are seeing an increase in demand for premiumisation – with a large proportion of customers more likely to choose 2 premium drinks for the same price as 3 regular ones. This should lead to a good, better, best range across all categories and a drive for staff to be incentivised to move customers up the value ladder.





Digital solutions

The consolidation of digital solutions to deliver the customer experience





The expectation from pub customers is that pubs need to up their game when it comes to tech

↑ **18%**

Feel that pubs are **ahead** of other hospitality and retail when it comes to their use of technology

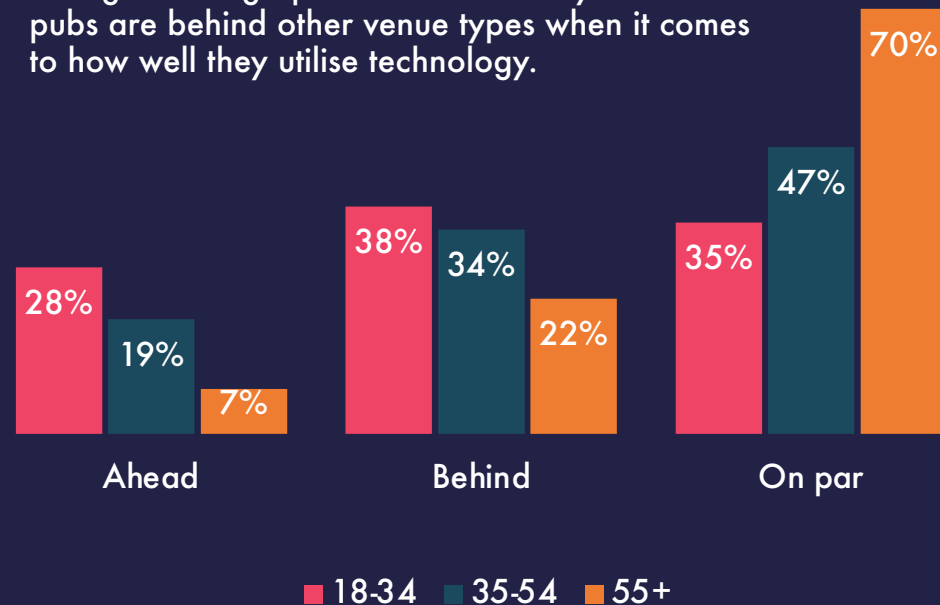
↔ **51%**

Feel pubs are **on par** with other hospitality and retail venues

↓ **31%**

Feel pubs haven't fallen **behind** other hospitality and retail venues

Younger demographics are more likely to feel that pubs are behind other venue types when it comes to how well they utilise technology.





37%

Of pub operators
believe pubs have
fallen **behind** other
hospitality and retail
venues





We are increasingly looking for more personalised experiences

Customer behaviour is not dictated by venue, it's built from every transactional experience they have. When customers can visit QSRs or order online and be able to customise their food and drinks, then they start to expect that same level of service and experience when they visit their local pub.

Not only do they want customised orders, but they also are happy to give away some of their own personal data if it means that their overall experience becomes more tailored to their needs – think promotions, events, etc.

Digital solutions are tailor-made to meet this growing customer trend, from touch screen ordering, Wi-Fi log-ins and order & pay at table. All are solutions which can help to build a profile of the pub customer whilst also enabling them to customise their experience.

69%

Of pub goers want to be able to personalise and customise their **food** orders

57%

Of pub goers want to be able to personalise and customise their **drinks** order

64%

Would be happy to share personal data if they could then offer more tailored promotions

”

Delivering a great experience for guests every time they visit really does begin with great forecasting and scheduling effective scheduling against that demand. Ensuring forecasts are robust, that schedules are built bottom up, that teams are the right size throughout the day and week to deliver to the demand and delight every guest every visit is essential. Technology plays a key role and really is front and centre in today's world but that doesn't mean forgetting about the employees. Learning how to leverage the unique human element is key. Technology should be truly complementary; better forecasting, coupled with bottom-up activity-based schedules, coupled with great collaboration, paired with analysis and statistical information that tells you what's working and what's not, can all help with the 'people factor' and drive great business performance.

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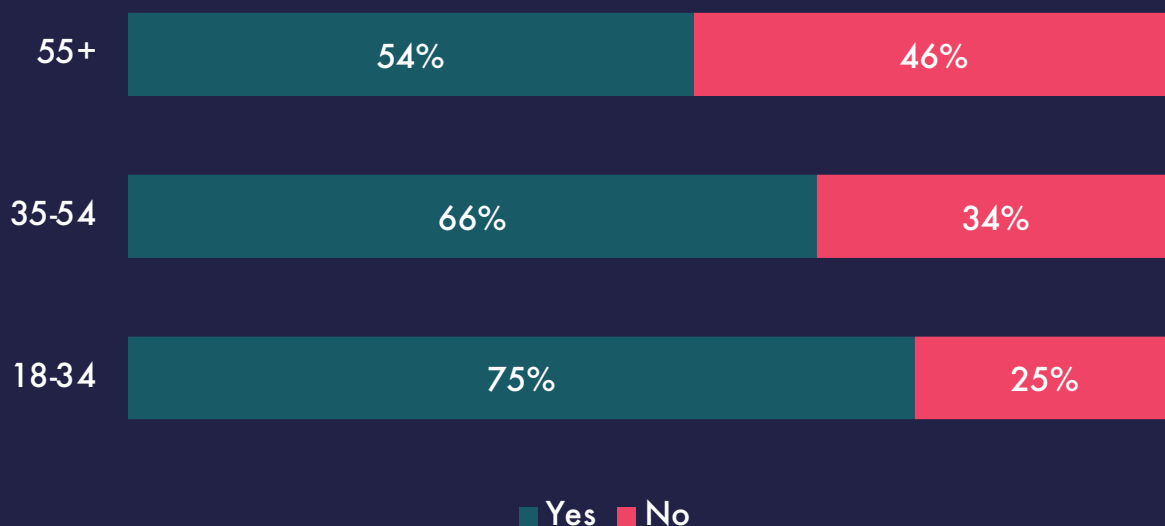
Karina Coen
Managing Director, Stint





Touch screens can become a great tool to deliver a more personalised experience

Appeal of touch-screen devices



Pub customers are a demanding bunch. They expect staff to be there when needed, and to have an encyclopaedic knowledge of the drinks range, the food range, allergens, provenance, and more. 22% of staff though say that they aren't knowledgeable enough about the menu when asked by customers. Are we, therefore, asking too much of staff to be able to replicate the memory and recall capabilities of an online platform? Knowledge is powerful but it's also programmable.

Making this type of information readily available and, importantly, easily searchable for customers through digital tools in venue, can ease the burden on staff whilst also ensuring that the quality, accuracy of information is maintained and up to date



Digital marketing remains a core tool in driving footfall to venue

Indexed vs Nat Rep	18-34	35-54	55+
Asking for recommendations from friends/family	0.72	1.06	1.19
General internet search	0.82	1.09	1.06
Pub/restaurant review websites/apps	0.89	0.99	1.10
Facebook	0.89	1.14	0.94
Google's 'Near Me' search tool	1.55	0.89	0.62
Pub/restaurant booking websites/apps	0.98	1.03	0.98
Instagram	1.71	0.98	0.37
Other social media	1.47	1.16	0.38
Reviews in magazines/newspapers	0.82	0.83	1.36
Twitter	1.52	0.93	0.60
TikTok	2.27	0.85	0.00
Voice controlled smart speakers	1.68	1.05	0.31

From this index (benchmarked vs Nat rep), you can see the importance of pubs getting their social media and google 'near me' search tool right to reach younger customers.

TikTok, Twitter, Instagram and 'Voice' are clearly valuable marketing channels from which to target the 18-34 age group. Does your pub have a strategy for each of these channels? Are you easily searchable through 'voice' for example and do you have a Google Business account set up so that customers can find you through a 'near me' search.

Customers don't flex their behaviour to fit a venue, the venue must flex their behaviours to fit the customer. If a customer is searching for 'somewhere near me that does burgers' – you're not just competing with other pubs, your competing with countless venues. Make sure they find you first!



Only 7% say of operators say pub marketing doesn't work, but support is needed to reduce friction from time spent, cost and knowledge of implementing

How do pub operators advertise/market their pub

Facebook page 91%

Posters, etc. inside the pub itself 83%

Posters / boards outside the pub 78%

Website 76%

Instagram 46%

Twitter 27%

Text/messaging app 17%

Snapchat 2%

40%

Of pub operators have no issues with marketing their pub

32%

Of pubs operators feel they don't have enough time to put in to it

26%

Say it's too expensive and they don't have budget

24%

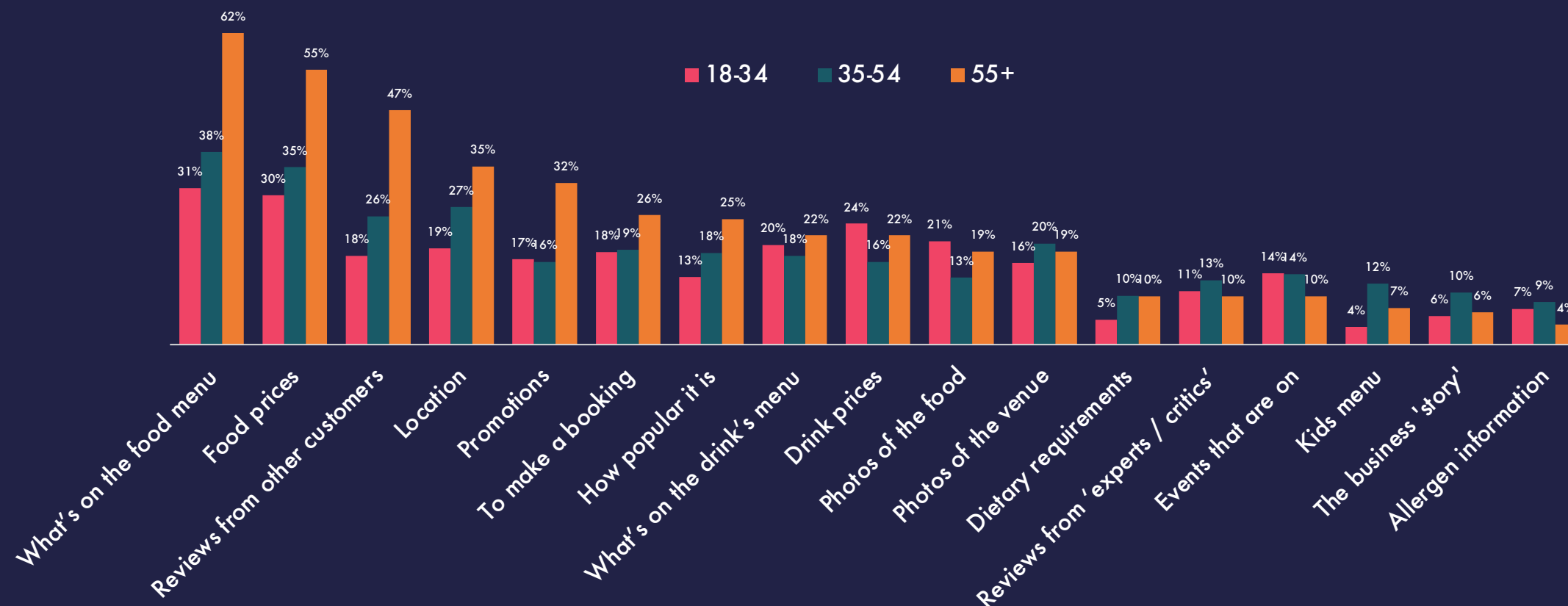
Say they don't know enough about it to do it well

TikTok (2.27), Instagram (1.71) and Twitter (1.52) over index (vs national rep sample) in regard to how 18-34 year old search for information on pubs. Venues with a younger target audience should look to explore these avenues to grow the brand

Q. Which of the following do you use to advertise/market your pub to potential customers?
Q. Here are some reasons that other publicans say put them off doing more marketing for their pubs, which, if any, do you agree with?



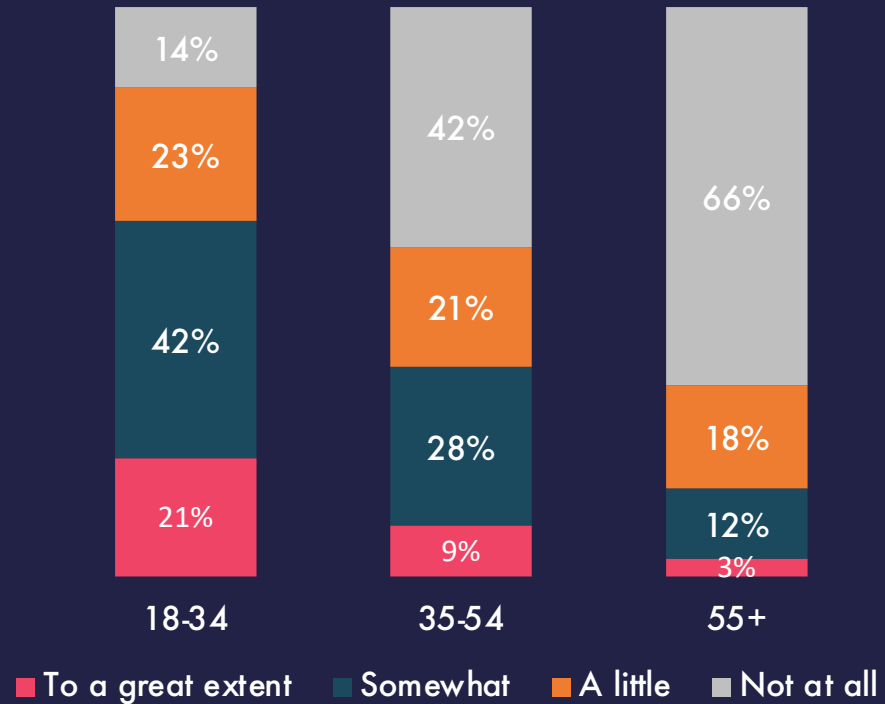
Events and food imagery are more important to Gen Z and Millennials. Focus on promoting this content through Instagram and Tik Tok





Use social channels to tell your 'brand story'

To what extent does social media influence the pubs you visit?



Indexed vs Nat Rep	18-34	35-54	55+
Their sustainability	1.39	0.96	0.68
That they actively engage in the local community	0.91	1.01	1.07
Their business ethics	1.23	1.03	0.76
None of the above	0.65	0.99	1.33

When communicating with younger generations over social media, promoting business ethics or sustainability will have a greater impact. Both represent perfect content for social media channels as consumers will engage with content that resonates with their own personal beliefs and will help to elevate a brand beyond just what products they offer. More and more, customers want to be taken on a journey by a brand and to hear their 'story' and social media platforms are the perfect place in which to tell a story and to get customers engaged with your brand beyond a superficial level – this is what creates long term loyalty.



KEY TAKEOUTS

1 in 3 pub goers believe that pubs are behind other hospitality and retail venues when it comes to their use of tech. Consumers shop by occasions and mission and not by channel – so they increasingly look for the same level of experience no matter where they are. The more they can instantly connect to Wi-Fi, or order via a touch screen in one type of outlet then they will start to expect that same experience when they visit a pub

Digital solutions are tailor-made to meet the growing customer trend for personalisation and customisation, from touch screen ordering, Wi-Fi log-ins and order & pay at table. All solutions which can help to build a profile of the pub customer whilst also enabling them to customise their experience.

Digital marketing remains a core tool in driving footfall to venue. TikTok, Twitter, Instagram and 'Voice' are clearly valuable marketing channels from which to target the 18-34 age group. Does your pub have a strategy for each of these channels?

When communicating with younger generations over social media, promoting business ethics or sustainability will have a greater impact.



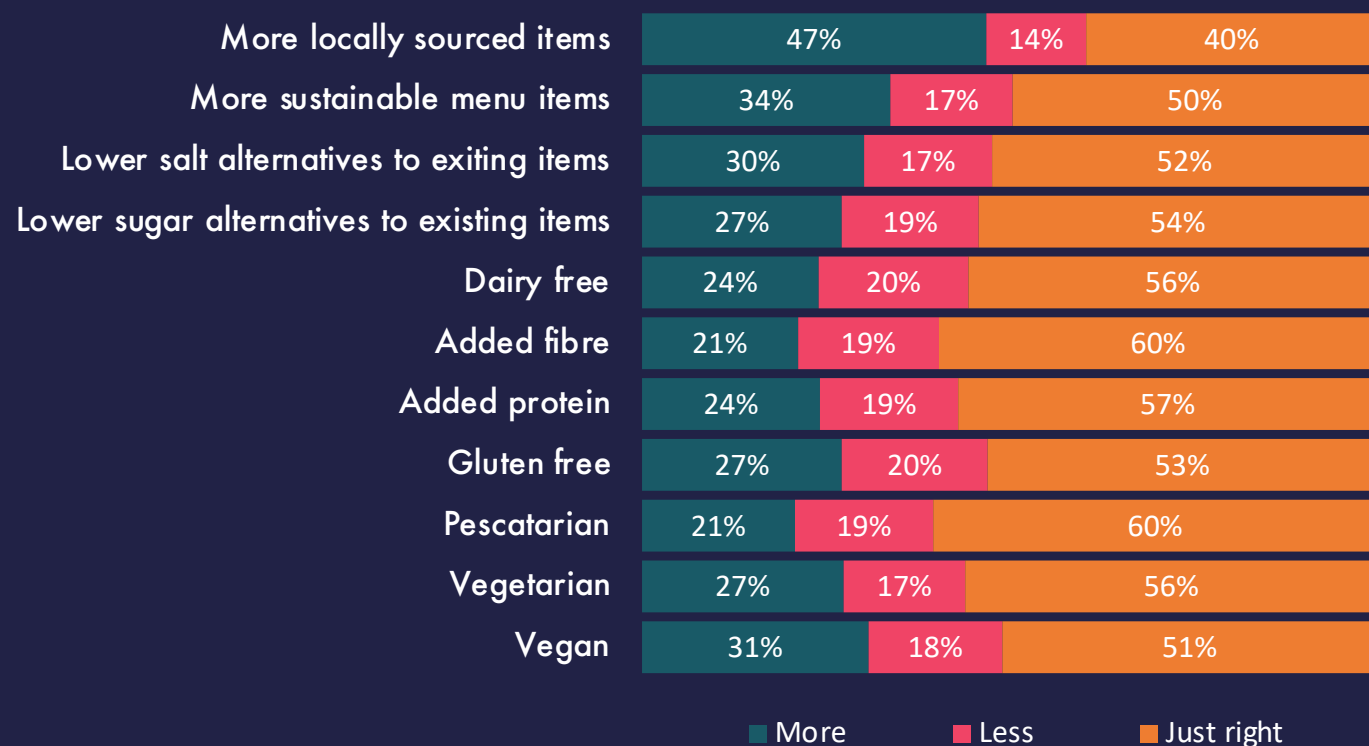
Food (and drink) for thought

What pub customers are looking for from
pub food and drink menus





Local sourcing and sustainability are key trends for pub-goers when it comes to food

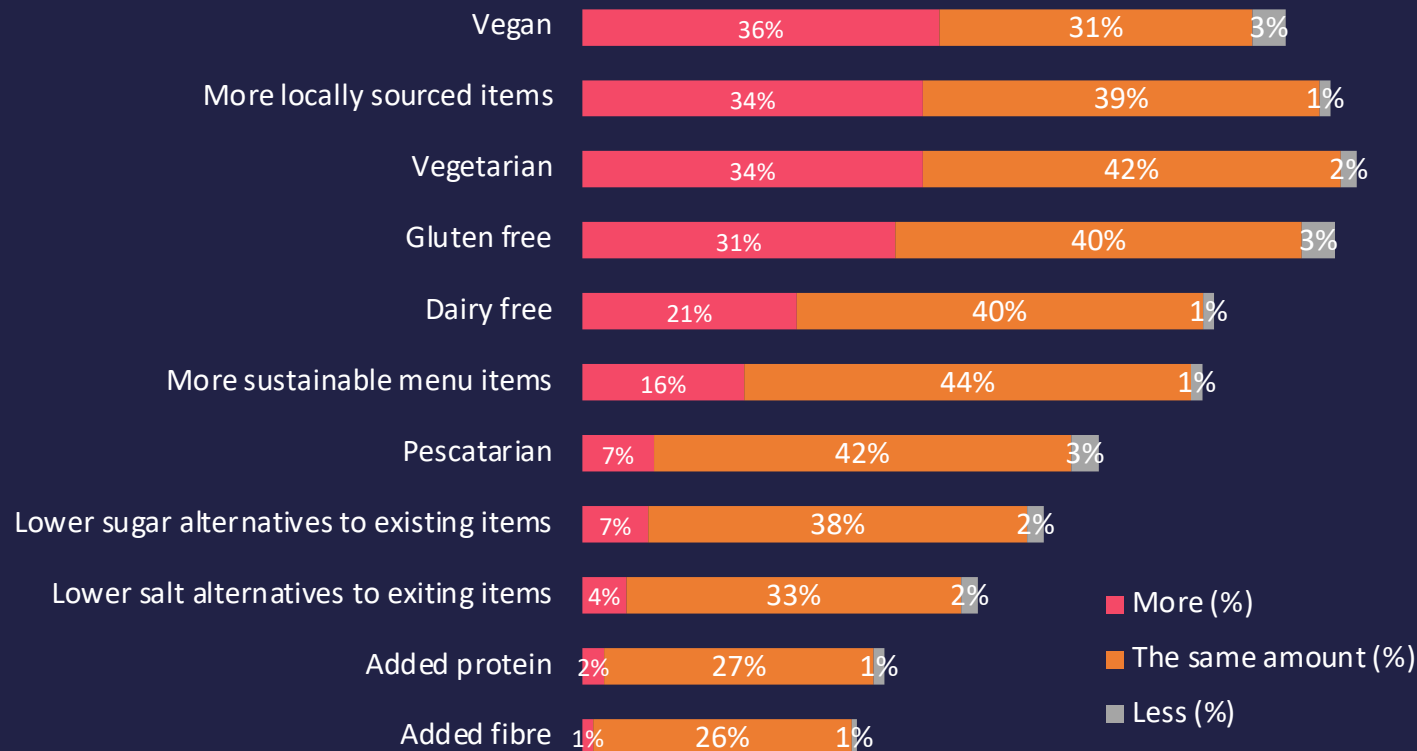


25% of pub customers would like to more food types that support dietary requirements or reduce meat consumption, but it is sustainable and locally sourced items that should be prioritised and promoted by pubs.

As well as reductions in things such as salt and sugar, we also see customers looking for 'added benefits' with 21% looking for added fibre and 24% for added protein. Protein, in particular, has seen rapid growth within the grocery channel over the last few years, with products from breakfast cereal through to sausages having 'added protein' to appeal to this growing consumer demand.

There's been a huge net increase in the diversity of food types offered by pubs, reflecting the desire for locally sourced items, dietary requirements and a reduction in animal produce

More or less food types vs last year?



Grocery retail has seen a growth of 'health plus' impulse products such as added fibre and protein as opposed to just a reduction in salt, sugars, fats etc.

At its core these types of snacks are impulse products, making visibility an important factor in its uptake. Pub goers may not know that they want a healthy snack bar until they see it!

This aligns to the idea that post-pandemic pubs can serve a more diverse occasion e.g. breakfast meeting, work from pub etc, a great way for pub operators to add to additional revenue streams

”

Historically pubs have led the market on value for money and it will be key to retain this position. For many people going out for a treat doesn't necessarily mean being able to spend a fortune and the pub could offer that opportunity versus some of the high street restaurant brands. Maintaining off-peak offers, set menus and kids for free as an example will help. Sustainability will keep on growing in importance. Pubs will need to have clear and transparent messages about food miles, ethical procurement, and food waste. Finally, the balancing act between indulgence and healthy eating. Both are essential to a pub's menu. Understanding that "my health, my way" is the right approach as it does vary by customer. Pick the right one for you. The lifestyle choices of less meat and the need of more vegetarian and vegan dishes is probably the area pubs have been slowest at adapting to. With calories on menu legislation kicking in on April 6th this may start to drive a need to have more lower calorie dishes on the menu. When tied into the food waste debate, smaller portions may tick both boxes. Finally, with the well documented cost increases, a well-planned menu that utilises the same items across multiple dishes, back up options and increasing storage capacity wherever able is crucial. There is expected to be continued supply chain disruption for the foreseeable with the impact of the conflict in Ukraine and rising energy prices.

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Joby Mortimer
Head of Sector – National On Trade, Brakes





Pub-goers want a wider range of bar snacks, including unsalted nuts and fruit

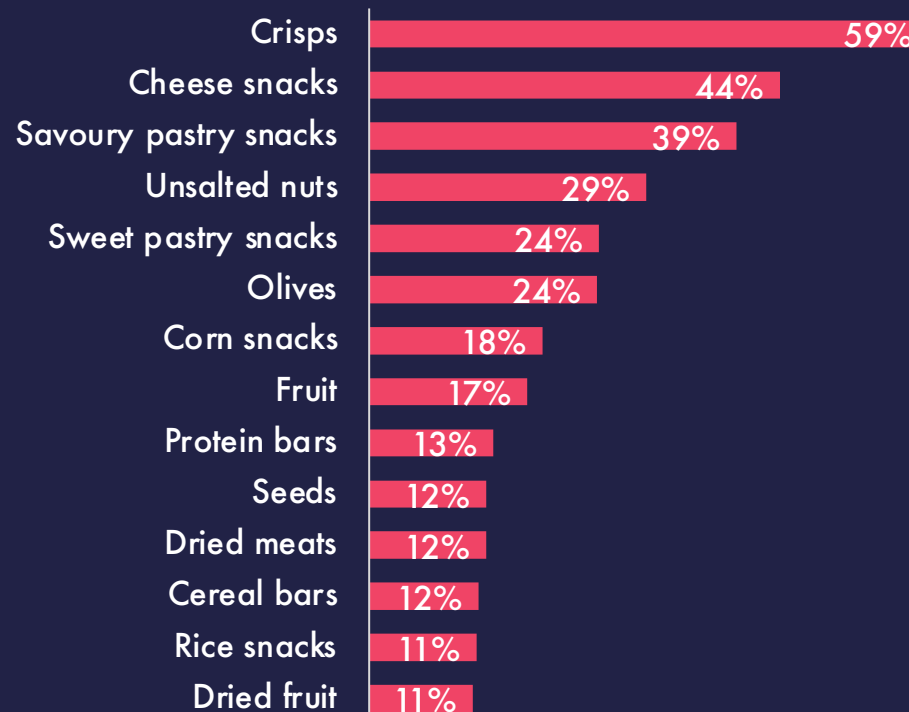
57%

Of pub goers would like to see the choice of bar snacks in pubs **improved**.

This rises to **62%** for females, and **70%** for 18-34-year-olds.

Whilst we still see a high demand for the more traditional bar snacks, it's interesting to see a rise in demand for 'healthier' snacking, whilst also seeing a trend towards bar snacks that can meet the demand from customers across multiple day parts (e.g. protein bars, fruit, sweet pastries, etc.)

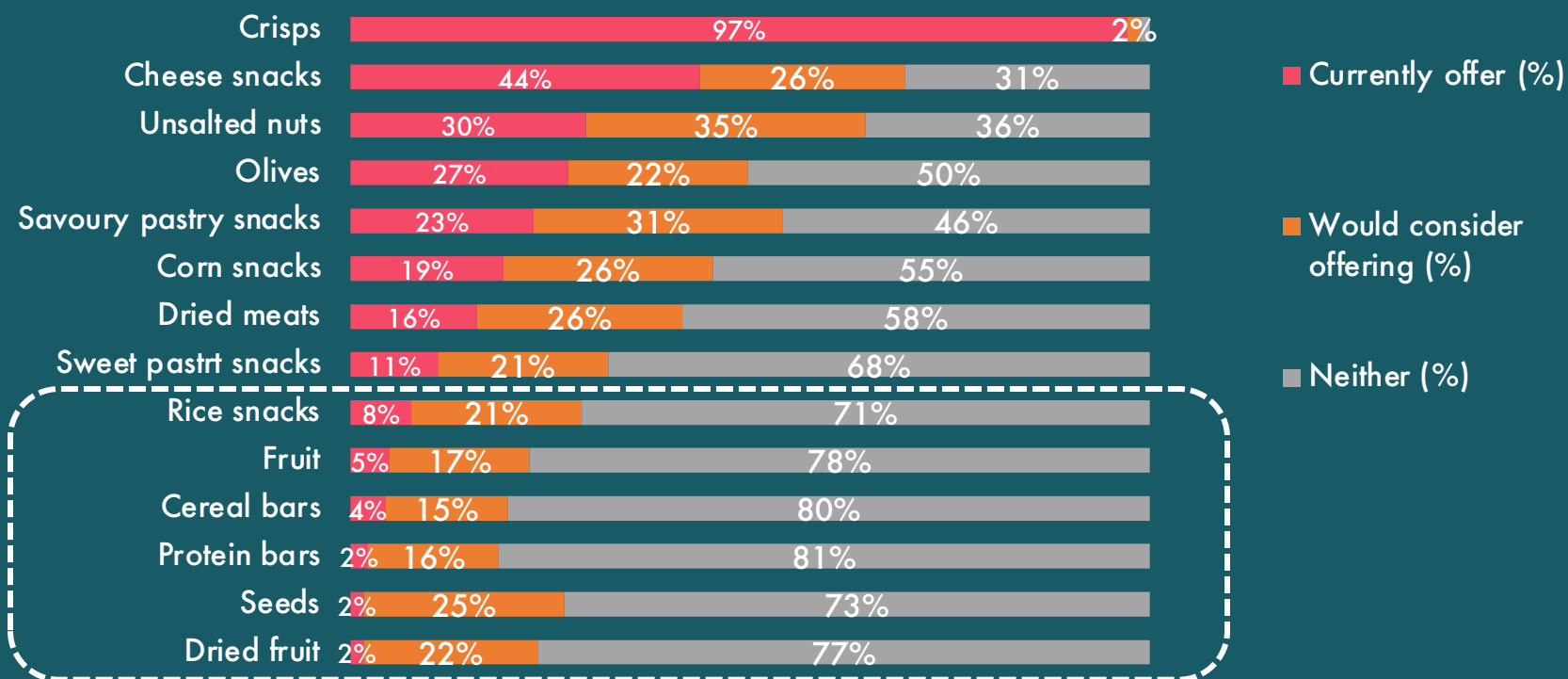
As with many things, pubs should consider offering a range that at least provides the customer with a choice between traditional bar snacks and healthier alternatives.





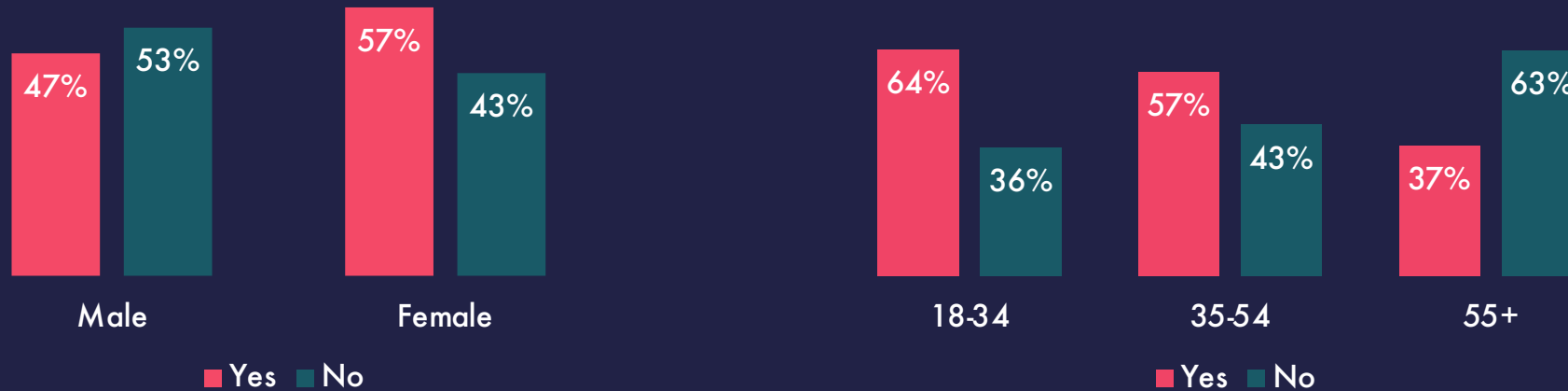
4 in 5 operators are not considering breakfast or healthy snacking products at all, a missed opportunity particularly amongst their younger customers

Snack offering now vs the future



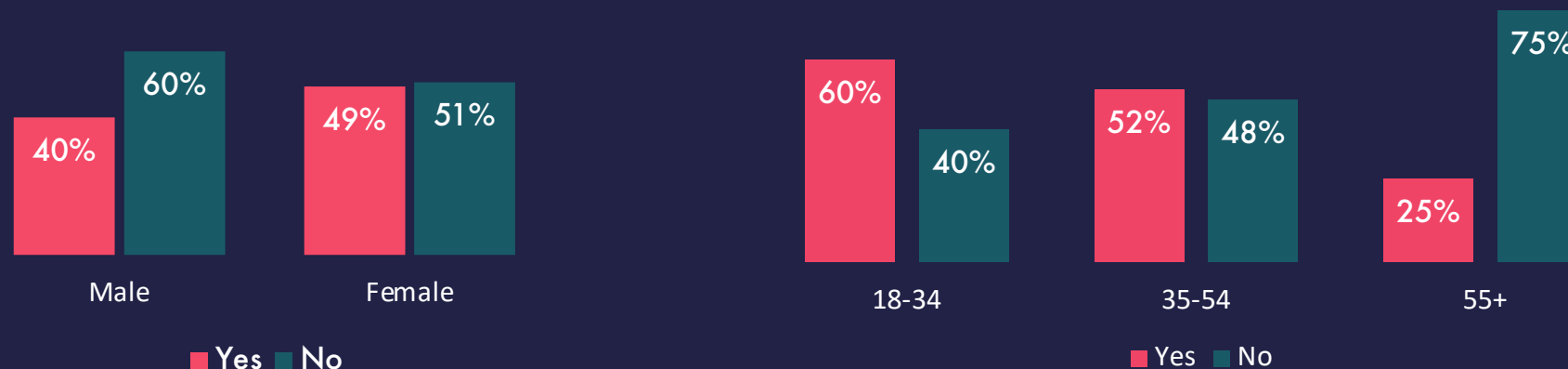


If pubs improved their hot drinks offer would it make customers visit more often?



1 in every 2 customers say that they would actually visit pubs more often than they currently do if the hot drinks offer was improved. This is even higher for females, as well as 18-54 year olds. Pubs should be targeting all day-parts to ensure that they can continue to remain profitable and hot drinks (and coffee in particular) is an absolutely critical part of this offer. Pubs aren't just competing against other pubs, they will be competing against restaurants, QSRs and coffee shops – all of which are destinations for customers across breakfast, brunch, lunch and dinner – as well as 'on the go' missions- not to mention the the growth in remote working. Pubs can't afford to falter when it comes to offering a quality coffee offer to customers.

●●● If pubs improved their low & no alcohol offer ●●● would it make customers visit more often? ●●●



Nearly half of all customers would also visit more often if pubs improved their low & no alcohol offer. Again, this is higher amongst females as well as the younger demographics – rising to 60% for Gen Z and Millennial customers. 1-in-4 visits to a pub were alcohol-free in 2021. Yet many consumers were not impressed with the current low and no range. Many will default to 'tap water' if they're not drinking alcohol. Hospitality should be putting a real focus on delivering for customers on these non-alcoholic occasions whether it be low and no, decent coffee or a more credible range of 'premium' soft drinks. Sales are currently being missed and many customers not satisfied. Consumers want to have the same memorable experience drinking low & no as they do with alcoholic drinks. Meeting consumer expectations around taste and flavour is critical.

"

Pubs around the UK who are championing no/low are already seeing the benefits both in incremental sales as well as customer feedback. Pubs that offer their award-winning alcohol-free lager on draught have on average a 6x greater volume rate of sale compared to pack alone (*Lucky Saint sales data 2021*). This demonstrates the importance of prioritising no & low drinkers in venue – offering experiences that cannot be replicated at home. It is clear from this data that when publicans elevate alcohol-free to the same level as alcoholic options – giving the alcohol-free category the same visibility on the bar and the same customer experience of having a freshly poured pint – venues can meet the customer demand of feeling included in the pub experience when not drinking, resulting in increased sales.

"

Emma Heal
Managing Director, Lucky Saint





KEY TAKEOUTS

Sustainable and locally-sourced produce should be prioritised and promoted by pubs. Added protein is a growing trend which has seen a rapid growth in grocery retail and it appears that trend is now entering the pub sector.

We are seeing a rise in demand for 'healthier' snacking, whilst also seeing a trend for bar snacks that can meet the demand from customers across multiple day parts (e.g. protein bars, fruit, sweet pastries, etc.). As with many things, pubs should consider offering a range that at least provides the customer with a choice between traditional bar snacks and healthier alternatives.

1 in every 2 customers say that they would actually visit pubs more often than they currently do if the hot drinks offer was improved. Pubs need to become destinations for customers across breakfast, brunch, lunch and dinner – as well as 'on the go' missions. They can't afford to falter when it comes to offering a quality coffee offer to customers.

Many customers (22%!) will default to 'tap water' if they're not drinking alcohol. Hospitality should be putting a real focus on delivering for customers on these non-alcoholic occasions whether it be low and no, decent coffee or a more credible range of 'premium' soft drinks



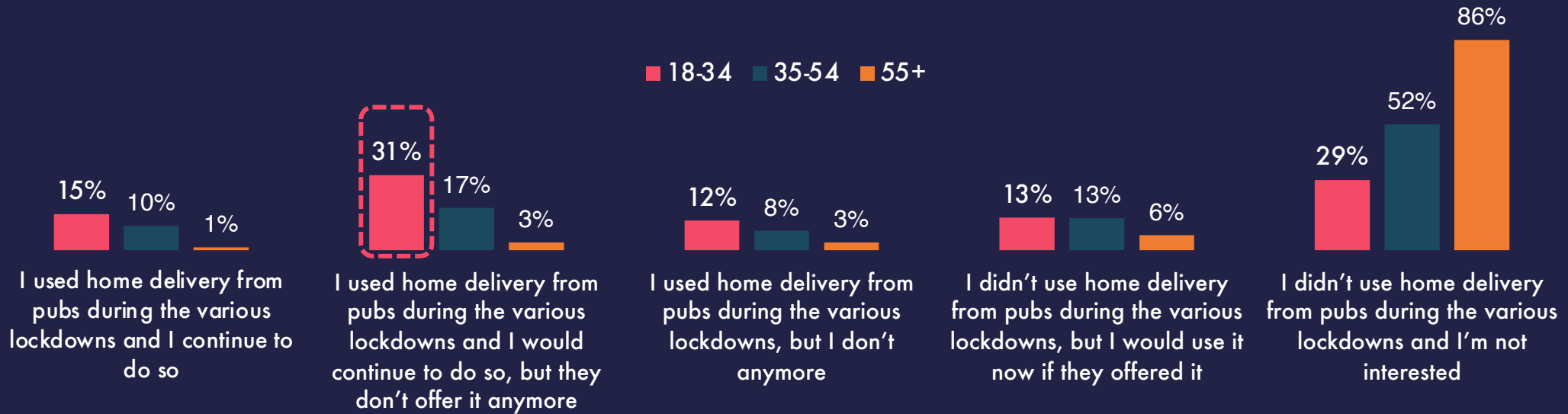
The delivery opportunity

How food and drink delivery is not just for lockdown





Pubs are missing out on potential revenue streams by no longer offering home delivery



Delivery is not just for lockdowns, it seems. Pubs that have a younger customer base should consider continuing home delivery, with 1 in 3 wanting to continue doing so where it's no longer offered. Overall, 17% of pub-goers say that they would continue to use home delivery from their local pub, if they continued to offer it – but they don't. Overall, 33% of pub goers had used a delivery option from a pub throughout the various lockdowns. It may have been an ends to a means for some pubs, but it has created a behaviour that, for many customers, continues

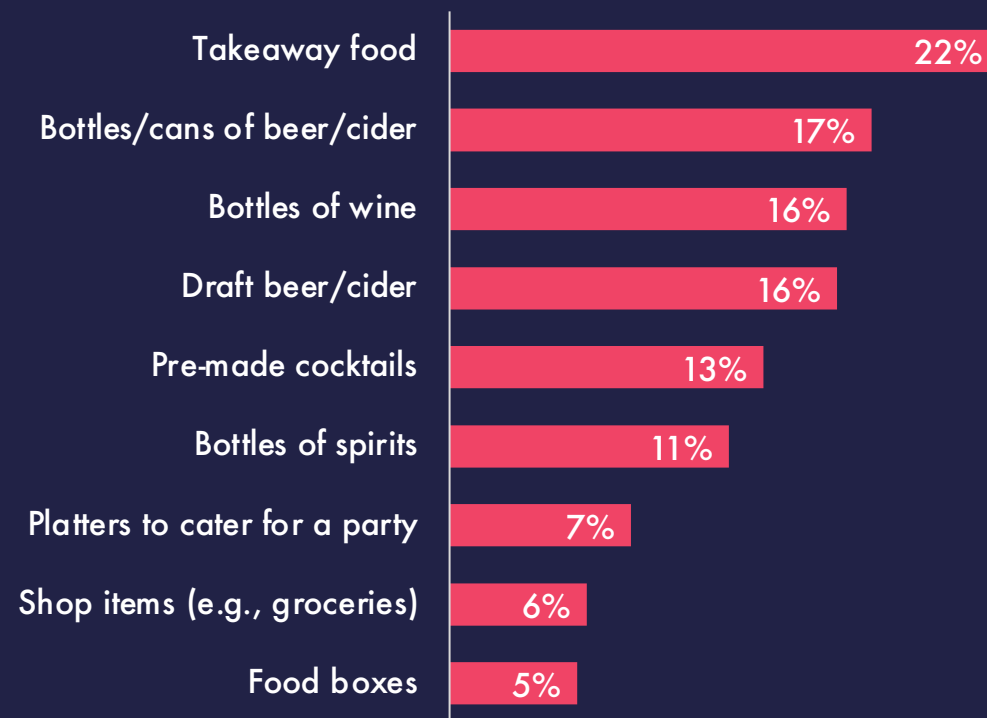


Takeaway food and alcohol can help bring the pub experience into people's homes

55% Of pub-goers would use delivery (or click & collect) from a pub in the future

There are 7.6 million users of Deliveroo in the UK, which generated £1.8bn revenue in 2021 – which was a 50% year-on-year increase (Source: Deliveroo UK).

The 'at-home' experience is a clear trend that has been supersized as a result of the pandemic and is going to stick around. Although customers are returning to pubs, they will also continue to look for at-home experiences. Pubs must consider a dual approach in order to try to capture both markets – just focussing on the in-pub experience, runs the risk of missing out on incremental revenue from their same customers as they use other outlets for takeaway.





KEY TAKEOUTS

Pubs are missing out on potential revenue streams by no longer offering home delivery. Overall, 33% of pub goers had used a delivery option from a pub throughout the various lockdowns. It may have been an end to a means for some pubs, but it has created a behaviour that, for many customers, will continue. There IS a way to deliver both an in-venue and at-home experience and it will be different for every brand/venue.

The 'at-home' experience is clearly a trend that has been supersized as a result of the pandemic and is going to stick around. Although customers are returning to pubs, they will also continue to look for at-home experiences. Pubs must consider the dual approach in order to try and capture both markets



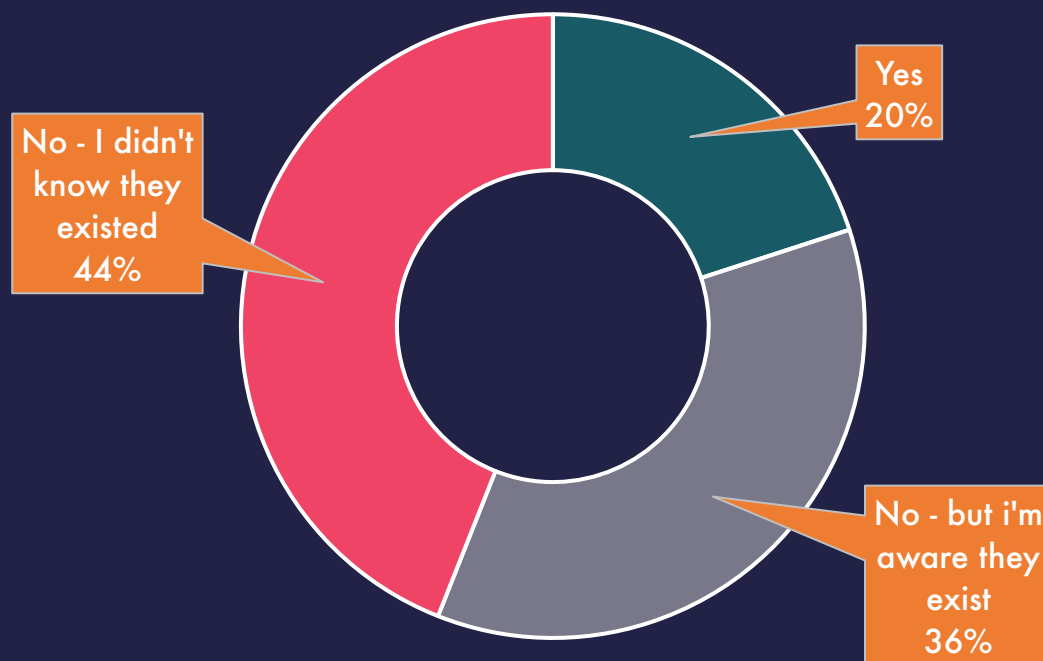
Driving customer loyalty

The role of gift vouchers and loyalty cards in driving future revenue



Gift cards are also an opportunity for pubs to continue to drive revenue streams post lockdowns

Have pub goers bought gift cards post various lockdowns?



1 in 5 pub-goers purchased a pub gift card during the various lockdowns over the last couple of years. This is testament to the importance that these pubs play in their local community, and the love that customers have for their local pub.

A further 36% are aware of gift cards being offered by pubs – which shows the potential opportunity. With over 1 in 2 pub goers aware of gift cards, what can pubs do to encourage them to purchase for upcoming special occasions. Shifting the messaging from supporting the pubs to now being seen as the ideal gift experience should be the key strategy. We are living in an experience economy – and consumers are looking for experiences and not 'things' – so the opportunity is there for pubs to maximise.



36%

Of pub operators
started offering gift
vouchers/cards
during lockdown and
continue to do so



"

A pub estate of 60 went live with Toggle mid November with a central digital gift card which was available . Between launch and the 31st December they sold £24,107 online (an average of £401 per location) At the same time they ran a trial with 8 of their pubs with physical cards on sale in the pubs. Those pubs sold a total of £14,802 of cards within the same period. (an average of £1805 per pub).

So selling physical gift cards within locations with some thought around display and POS may yield an increase of over 300%+ on top of online sales. Additionally, if you sell physical and digital cards online, you'll see an uplift of around 18% on online sales as some people simply prefer to buy a product that can be given.

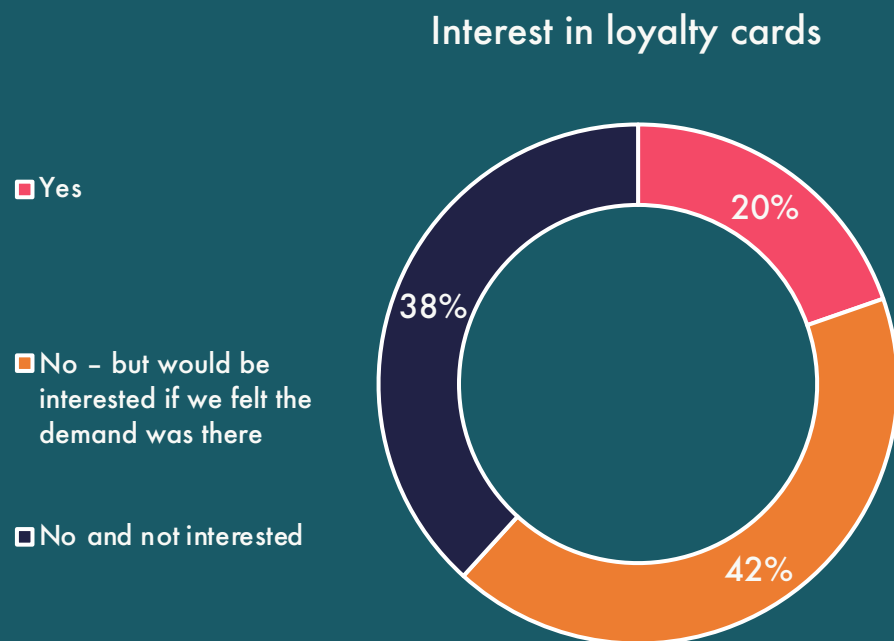
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Dan Brookman
CEO, Airship





Interest in loyalty cards is high and given 64% pub goers would be happy to give personal data in return for personalised offers, this is a huge opportunity to drive loyalty and sales



47%

Of pub operators would like to be able to offer more personalised or tailored promotions/offers based on what customers likes.

Tracking the items purchased, basket size and frequency of purchase of customers is a key way to be able to truly understand them and be able to offer personalised communication. Digital loyalty cards are a great way to harness this 2-way relationship



KEY TAKEOUTS

Over 1 in 2 pub-goers are aware of gift cards – what can pubs do to encourage them to purchase for upcoming special occasions.

Selling physical gift cards within locations with some thought around display and POS may yield an increase of over 300%+ on top of online sales.

Additionally, if you sell physical and digital cards online, you'll see an uplift of around 18% on online sales as some people simply prefer to buy a product that can be given easily online

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The last word

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When the pandemic hit, and the subsequent lockdowns seemed never ending, many thought that, coming out the other side, we'd be calling time on the Great British Pub. But customers, publicans and suppliers to the trade had different plans- we all worked together to ensure the survival of this wonderful industry- and I felt optimistic that we might all come through it- teamwork makes the dreamwork and all that.

This insight report gives me further reason for optimism- the customer is not only ready to go back, but is valuing their local (and indeed other places they go as part of their pub repertoire) MORE. But they are also demanding MORE- the experience needs to be great, every, single time. And we need to listen to the customer about what makes a great experience- stop telling them what they want and start listening to what they want- and pre-empting what they need. Only by delivering on these enhanced customer expectations and needs, can the industry survive and move into the next chapter of its existence with a fighting chance.

"

Katy Moses
MD, KAM





KAM

RETURN OF THE PUB 2022

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