



Macro & Market News

Week 46 2020 – Week ending 13/11/2020



Macro/Economic News

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- **UK's economy** bounced back from recession with record growth of +15.5% in Q3. The return to growth comes after a six-month slump induced by the first coronavirus lockdown. However, the expansion was not enough to reverse the damage caused by the pandemic. The country's economy is still 8.2% smaller than before the virus struck, according to the Office for National Statistics (ONS).
- **The rate of unemployment in the UK** rose to 4.8% in the three months to September, up from 4.5%, reports the ONS. Some 314,000 people were made redundant in the period.
- **Wales lockdown:** A 17-day "firebreak" lockdown in Wales has ended and a new set of nationwide coronavirus regulations has come into operation. Businesses forced to close - the likes of pubs, gyms and non-essential shops - can reopen, and two families can once again form a bubble. Travel is also permitted anywhere in the country.
- **Takeaway:** The blanket provisions allowing all pubs, bars and restaurants to serve takeaway food and alcohol will be extended by the government to give the hospitality sector long-term reassurance. Businesses were forced to close across England last week as part of the second national coronavirus lockdown but the new regulations allow takeaway alcohol to be served as long as it is pre-ordered online, via phone or post.
- **Norther Ireland lockdown:** Wet-led pubs in Northern Ireland will stay closed for a further fortnight after the country had planned to loosen restrictions for reopening on Thursday (12 November). The executive has proposed the reopening of restaurants and cafes but no alcohol sales will be allowed.
- **Fast food advertising:** A ban on advertising unhealthy food online has been proposed by ministers in tough plans that could leave companies at risk of being fined. Digital advertisements, paid-for Google search results, promoted tweets and sponsored social media influencing for products high in sugar, salt or fat would be banned under anti-obesity proposals. The ban could include jam and cream as well as takeaway food.



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- **Coffer Peach Tracker:** With 83% of group-owned sites open, down from 88% in September, total sales across the managed sector were down -33.9% in October on the same month last year – a clear deterioration from September when sales were -20.3% below 2019 levels and August when they were just -12.2% down. All parts of the market performed worse than in September.
- **McDonald's** has announced a new line of plant-based meat alternatives called "McPlant." The products will be available from next year.
- **Subway's** Christmas menu launched on Wednesday (11 November) and includes a six-inch pigs in blanket sub. Also on its festive menu are a selection of sandwiches and hot drinks. The pigs in blanket roll, which has been labelled the "Tiger Pig", is served in a new crusty tiger bread sub and covered in Southwest sauce.
- **Caffe Nero** has confirmed the launch of a Company Voluntary Arrangement (CVA) proposal following the impact of Covid-19 on the business. It is thought that the principal objectives of the CVA proposal are to move the majority of the group's sites and concessions to a turnover-based rent, rather than store closures.
- **Wendy's**, the third-largest QSR chain in the US, has confirmed plans to open sites in the UK in the first half of 2021, including drive thru sites.
- **Uber:** The Uber Eats food delivery business has more than doubled in Q3 this year compared to Q3 last year. UberEats has also announced a range of initiatives in the UK, including free delivery on up to 500,000 orders over the four weeks of lockdown to help drive users towards more than 15,000 small and medium businesses.
- **The Restaurant Group (TRG)** is keeping 77 of its leisure sites in England open for click and collect and delivery during lockdown. The company is offering the services at 58 of its Frankie & Benny's sites, 17 Chiquito outlets and its Firejacks venues in Basildon and Stevenage.
- **Papa John's** has reported like-for-like sales were up +23.8% in North America and +20.7% internationally for its third quarter ending 27 September, driven by menu innovations and average transaction growth in a delivery-dominant economy.
- **Pret A Manger** has announced the launch of its retail coffee range into Waitrose stores as part of its ongoing transformation plan. The range, which launched on Amazon and in Pret's shops in May, will now be available in supermarkets for the first time.

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- **Pizza Hut:** For a limited time, Pizza Hut is trialling Beyond Meat plant-based meat pizzas in the UK to meet customer demand for more plant-based, vegetarian and flexitarian options. They are available for a limited time only – in five locations in Luton, Liverpool and London – while supplies last.
- **JD Wetherspoon** has reported that the 15 weeks to 8 November 2020 saw like-for-like sales decrease by -27.6%. The company stated: “Sales in October were significantly lower than the previous months, following the imposition of a number of new restrictions, including changes in the tier categories, a 10pm curfew, a requirement to order all food and drink ‘at the table’, and the mandatory use of face masks when moving around inside pubs.”
- **TGI Friday’s** is to launch a bar-focused concept, which harks back to the heritage of the brand as it looks to re-engage with older consumers. The first site under the new concept, which is being pitched at a more grown-up demographic, is set to open early next year in Cobham, Surrey.



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