



# Macro & Market News

Week 1 2021 – Week ending 8/1/2021



# Macro/Economic News

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- **Lockdown:** On 4<sup>th</sup> January, PM Boris Johnson announced a new national lockdown for England, with people instructed to stay at home as they did during last March's first shutdown. This lockdown replaces the previous tiers system, and is expected to last until at least mid-February. QSR operators, pubs, restaurants and cafes will have to close all stores but will be able to continue delivery, takeaway and click and collect services, though the sale of takeaway alcohol will no longer be allowed.
- **Scotland** announced a similar lockdown earlier in the day. Wales and Northern Ireland are also in lockdown.
- **Chancellor Rishi Sunak** has announced one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property. The extra funding – which is on top of existing £3,000 grants – aims to help firms make it through until the spring, when restrictions will be lifted after the vaccine is rolled out.
- **IHS Markit** has reported its composite output index for the UK in December at 50.4, up from 49.0 in November. It is 'slightly above the 50.0 no-change threshold.' The number represents a strong contribution from manufacturing and a weaker service sector performance.
- **Demand for staff** picked up in December for the first time in three months, new research by UK recruiters suggests. The spike was mostly due to temporary vacancies, said the Recruitment and Employment Confederation (REC) and financial services firm KPMG. Firms are looking to take on more temporary staff due to uncertainty over the Covid crisis and Brexit, they said.
- **Retail footfall** data from Springboard indicates a -42% YoY decline in December, with High Streets and Shopping Centres most impacted. Versus November all three retail destination types saw a rise in footfall as restrictions were lifted ahead of Christmas.



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- **Vaccinations in hospitality venues:** The hospitality industry has made it clear that their presently-closed units could be put at the disposal of the government for the purposes of administering vaccinations. Nightclubs, and operators including Loungers and Brewdog, have offered their premises for rolling out vaccinations.
- **Drive Thru:** The trend for ordering food and drinks from cars at Britain's growing number of drive-thru restaurants soared from September to November 2020, according to NPD Group. There were 121 million visits to Britain's 2,000 QSR outlets that offer drive-thru in those three months in 2020, a +14% increase on the same period last year. Spend was up +45% to £723m over this time frame, with consumers tending to place larger-than-average orders at the drive-thru window.
- **Greggs** has reported its total 2020 sales were £811m (2019: £1,168m). Fourth quarter company-managed shop like-for-like sales (to 2 January 2021) averaged 81.1% of the equivalent 2019 level. Fourth quarter delivery sales were 5.5% of company-managed shop sales. Its full year loss before tax is expected to be up to £15m.
- **McDonald's** is to suspend offering walk-in takeaway from its branches in the UK and Ireland in order to allow the chain time to review and reassess its safety procedures.
- **McDonald's US** will launch a crispy chicken sandwich on 24 February. The new sandwich menu item will feature a new crispy white meat chicken fillet served with pickles on a toasted potato roll. The new chicken sandwich will come in classic, deluxe and spicy versions.
- **Leon** has launched a new vegan subscription service and burger at-home kit in a bid to help people eat more plants this January. Available from Wednesday 6 January, the new monthly subscription service (£6) will give guests 30% off every vegan menu item in Leon restaurants nationwide.
- **Tim Hortons** has announced it will open its next restaurant and drive-thru in Harlow, Essex, in the spring – as the brand targets more openings in the south of England. The site will be located at the Queengate Centre.
- **Sainsbury's** has reported a bumper Christmas, with sales up +9.3% for the festive trading period. More customers bought their food online than ever before, it said. In the 10 days leading up to Christmas, it delivered 1.1 million online orders, twice last year's number.

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- **Marks & Spencer** has said its trading was "robust" over the Christmas period, but modest growth in food sales failed to offset big declines in its clothing division. Its overall trading performance in the 13 weeks to 26 December was down sharply on last year. UK revenues for the period were £2.52bn, 8.2% lower than last year.
- **PizzaExpress** has launched do-it-yourself pizza kits – a first for the 56-year-old business after it experienced huge demand for its 'Homemade Favourites' series. Available from 11 January, for a limited time only, the kits give customers the chance to create one of two of the pizzeria's best-selling recipes at home: the Margherita or American Hot. There is also the option to go 50:50 and have half of each flavour on each pizza.
- **Shake Shack** has launched a "Hot Menu" that includes the return of its Hot Chick'n sandwich. The menu, which is available across all UK sites now and for deliveries too, has taken two years to perfect. The Hot Chick'n is a crispy, 100% chicken breast, dusted with Shack spice mix and topped with cherry pepper slaw and pickles inside a toasted potato roll. It can be customised by ordering either Hot or Extra Hot.
- **Patisserie Valerie's** liquidators are suing auditors Grant Thornton for £200 million for its role in its collapse. Liquidator FRP Advisory has launched a claim against the accountancy giant, which audited the cake shop's accounts for 12 years before it went into administration.
- **Marston's** reports that the 13 weeks to 2 January had been materially disrupted due to Covid-19 related trading restrictions imposed across England, Scotland and Wales. Total pub revenues for the quarter were a much reduced £54 million.
- **Mitchells & Butlers (M&B)**, the pub group, is to explore an equity raise, to give it "increased financial and operational flexibility", as it said that its ongoing monthly cash burn had returned to between £35m to £40m.



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