



**CGA**  
**BUSINESS**  
CONFIDENCE SURVEY

IN PARTNERSHIP WITH



**Fourth**<sup>®</sup>

# CGA BUSINESS CONFIDENCE SURVEY Q3 2020 IN ASSOCIATION WITH FOURTH METHODOLOGY



The Q3 CGA Business Confidence Survey, in association with Fourth pulls data and insight from across CGA's research suite, but is predominantly based on leader research undertaken between **3<sup>rd</sup> September – 22<sup>nd</sup> September**.

With...

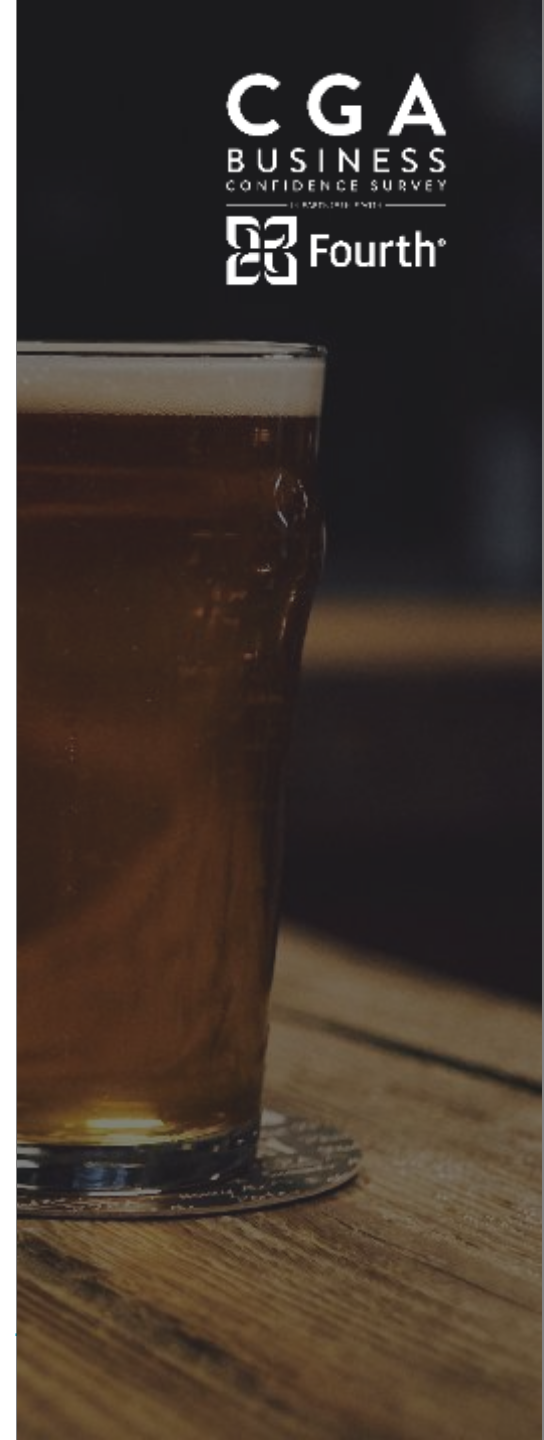
# 126

Leading industry figures from multi-site operators across the eating and drinking out sector. In places this has been supplemented by further trade body research with members, undertaken by CGA on behalf of UKHospitality, British Beer & Pub Association & British Institute of Innkeeping.

**67%** CEO / MD

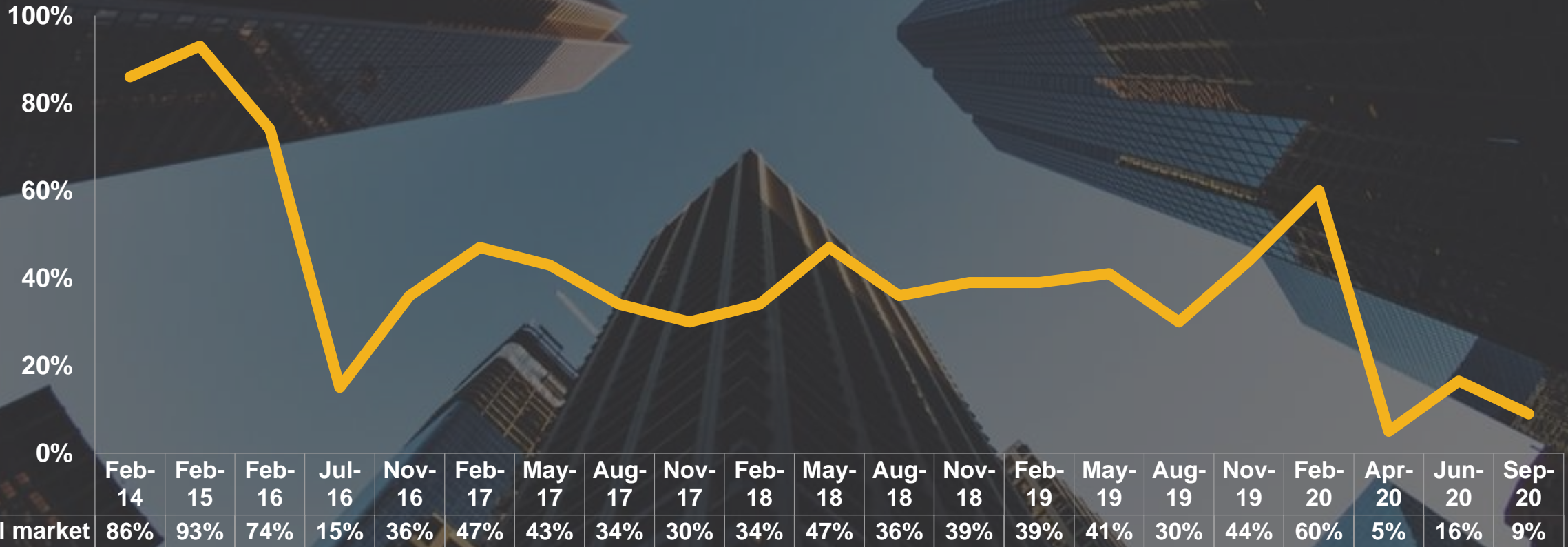
**30%** Chairman & board level

**3%** Other senior management



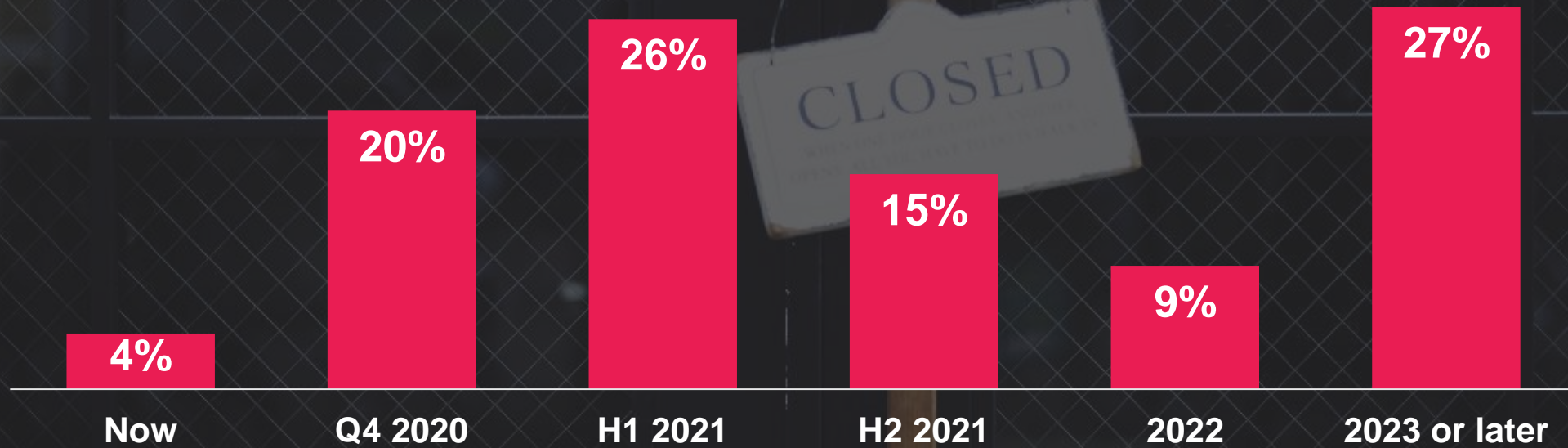
# After a turbulent four years, confidence within the market is scarce, with less than one in ten leaders optimistic about the upcoming year

*How optimistic are you about the prospects for the eating and drinking out market as a whole over the next 12 months? Proportion of leaders “very” or “fairly” optimistic*



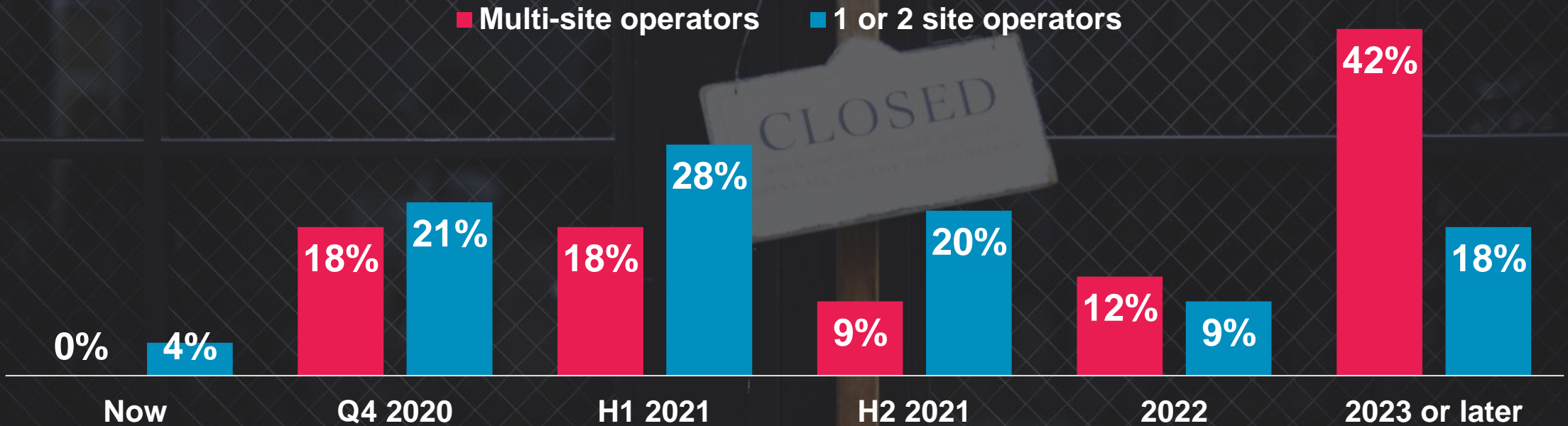
**Given current levels of business support, almost half of operators predict that their businesses will fail by mid-2021, with 23% suggesting they will do so by the turn of the year**

*Considering current levels of business support, at what point do you believe your business will fail?*



# It is smaller operators who are most concerned about the potential for business failure in the immediate future, with multi-site operators more confident

Considering current levels of business support, at what point do you believe your business will fail?



**Indeed, for multi-site operators, risk of insolvency over the coming year is predicted to be low, with no operators expecting insolvency**

*What is the current risk of insolvency for your business over the next 12 months?*

45%

No risk

50%

Slight risk

5%

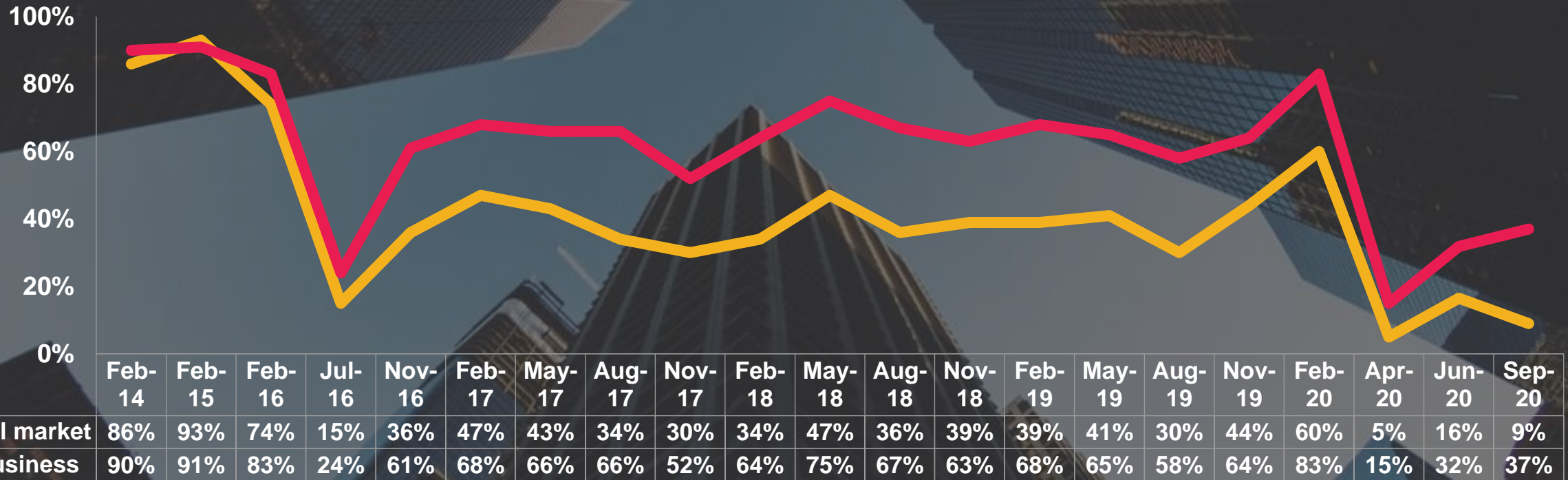
Significant risk

0%

It is expected

# Confidence in leaders' own business remains slightly higher than their confidence in the general market

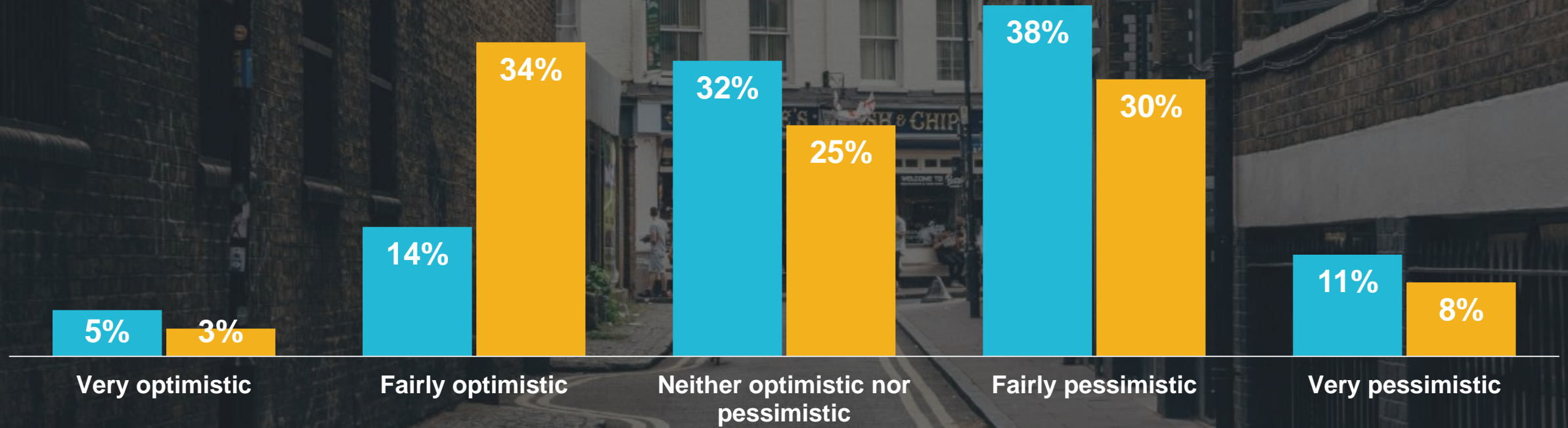
*How optimistic are you about the prospects for the eating and drinking out market as a whole over the next 12 months? Proportion of leaders "very" or "fairly" optimistic*



# Business optimism is polarised, with smaller operators more pessimistic than multi-site counterparts

Optimism in own business prospects over the next 12 months

Operators with 2 sites or less      Multi-site operators





**Expectations of operators had been met or exceeded in mid-September, perhaps partly as a result of the Eat Out To Help Out scheme**

*How would you describe your business's performance since re-opening?*

**65%**

**Ahead of expectations**

**17%**

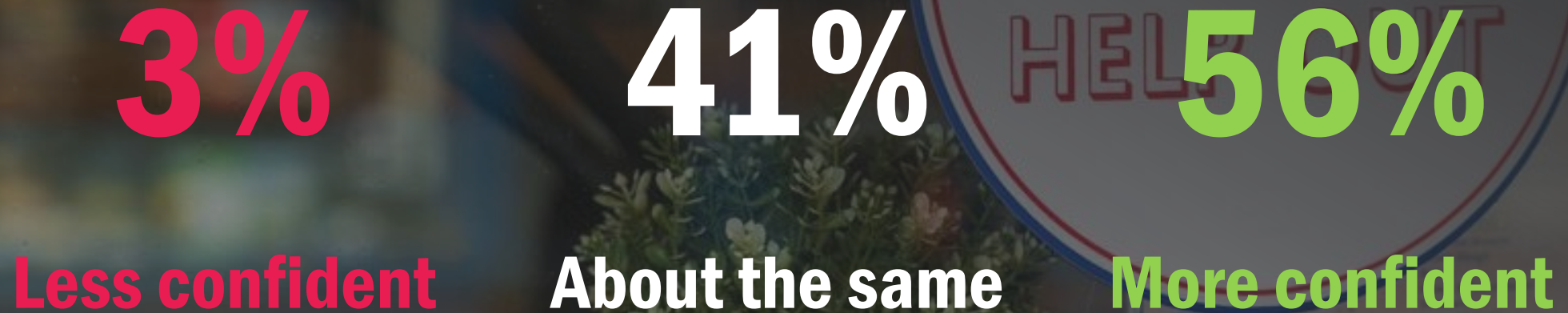
**In line with expectations**

**18%**

**Below expectations**

# EOTHO significantly boosted consumer confidence in returning to the market, with participating visitors feeling reassured about eating and drinking out

*Impact of Eat Out To Help Out on consumer confidence about going out in the near future, for first time visitors to the market:*



# 90%

**of business leaders suggest that fragile consumer confidence will have a negative impact on the eating and drinking out sector over the next six months**



# Concerns around a second wave of infections meanwhile, have never been far from the surface

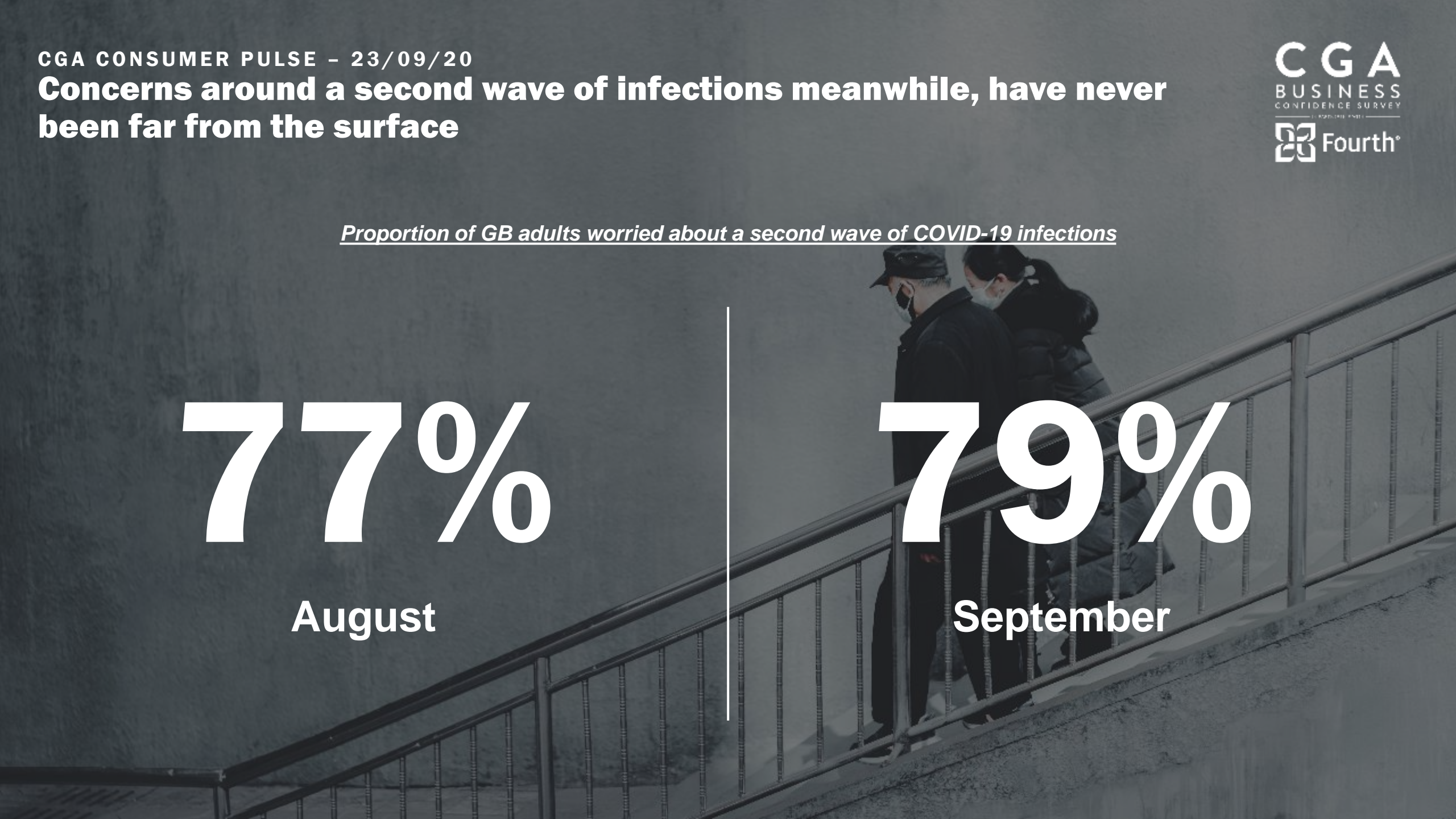
Proportion of GB adults worried about a second wave of COVID-19 infections

77%

August

79%

September



# With consumer confidence fragile, the impact of rule of six Government regulations has had a reversing effect on the boost provided by EOTHO

*Compared to before Tuesday's announcement, around the "rule of six" how confident do you now feel about visiting pubs, bars, and restaurants?*

**31%**

**Less confident**

**58%**

**About the same**

**4%**

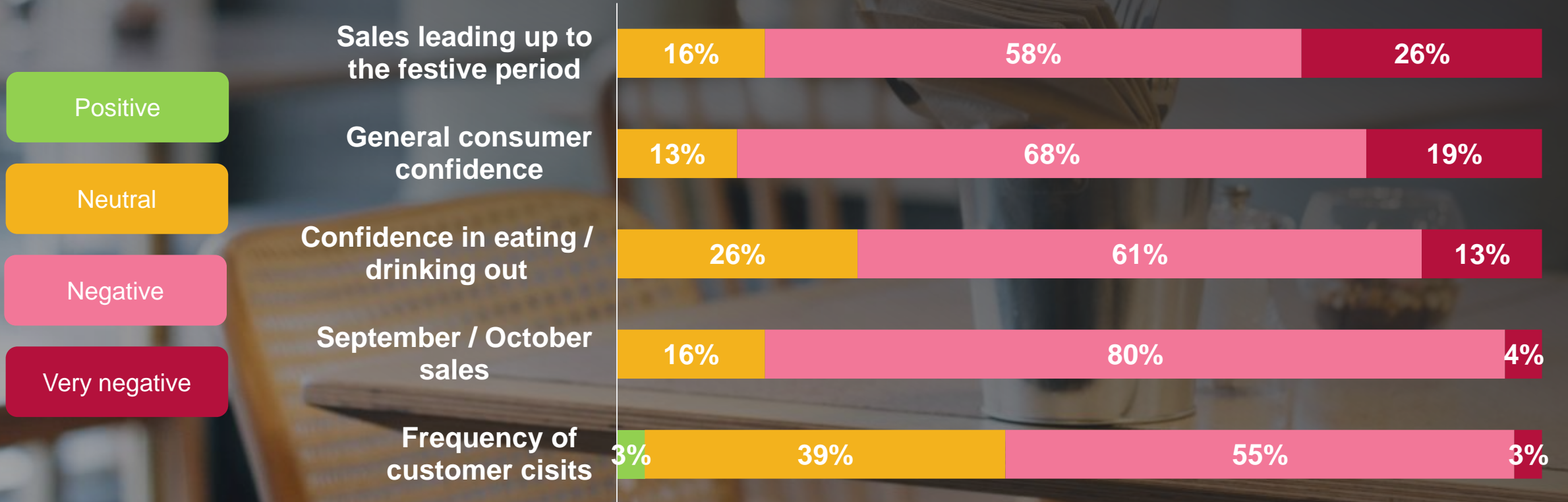
**More confident**

8% = 'I don't know'

Sample size: CGA Snap poll 10.09.20: 501

# Business leaders' confidence has also been impacted by “rule of 6” regulations, with perceived negative impact ahead of festive period

What impact do you feel the “rule of 6” regulations will have on the following?

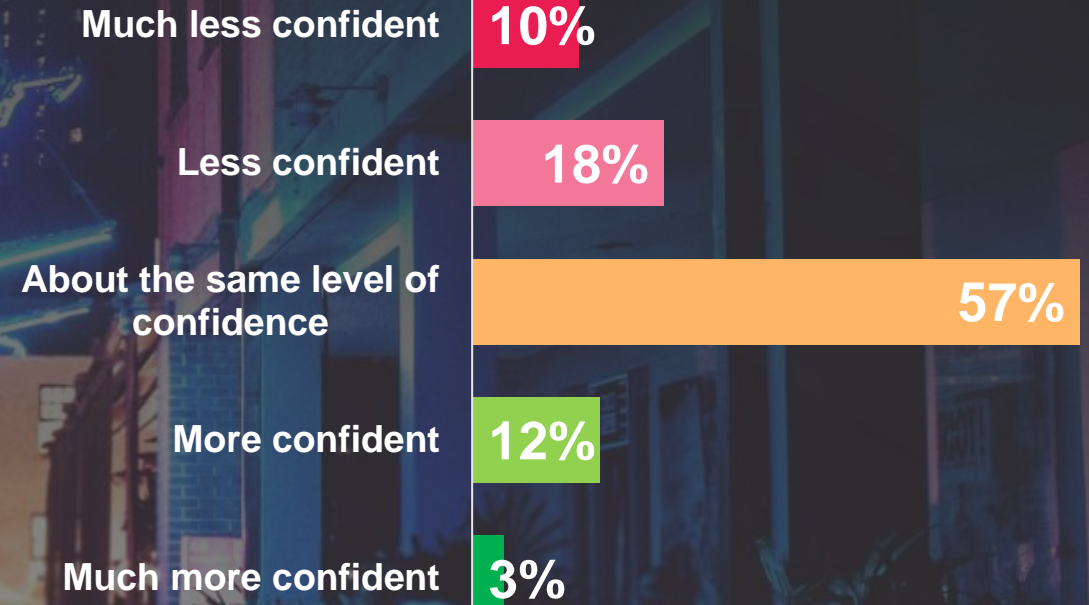


# The announcement of the 10pm curfew and mandatory face coverings has further dented consumer confidence in eating and drinking out, although not universally

*Compared to before the additional measures were announced, do you feel more or less confident about going out to pubs, bars and restaurants in the near future?*

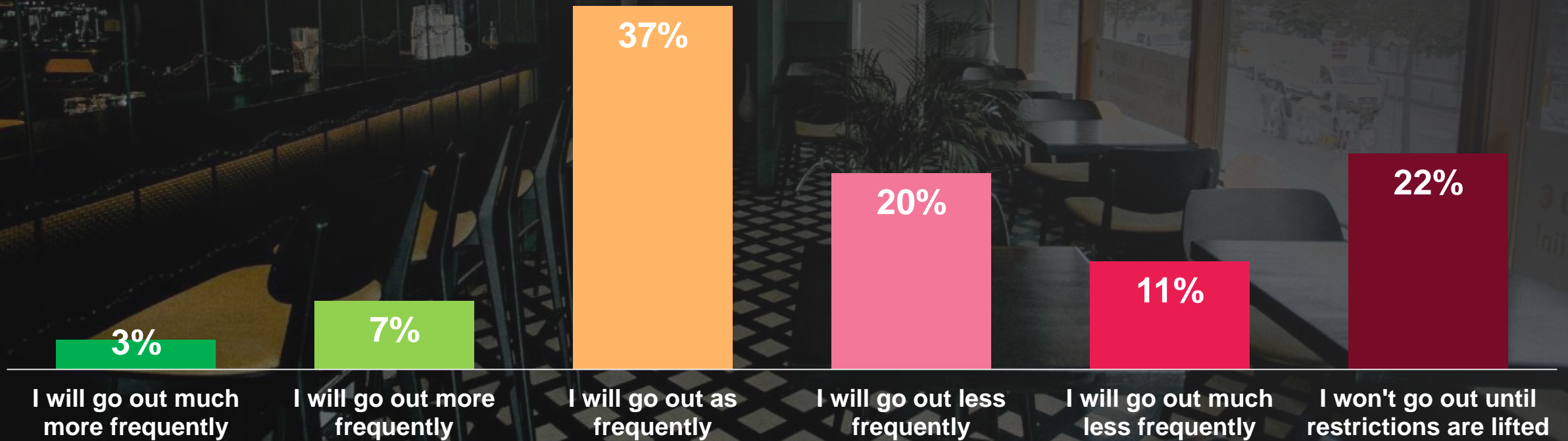
# -13%

## Net impact on consumer confidence



# Frequency of visit is set to be negatively impacted by new restrictions, with nearly a third of consumers predicting less frequent visits and one in five avoiding the sector totally

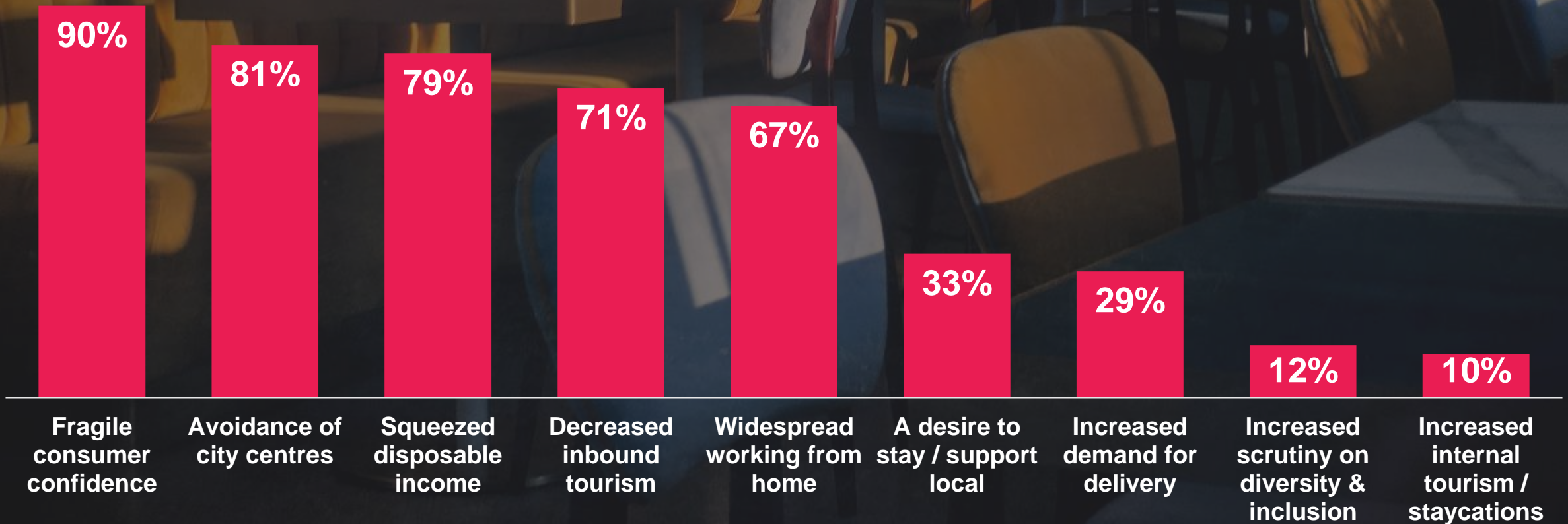
*In light of these new restrictions, including the 10pm curfew, do you think it will impact how often you visit pubs, bars, restaurants, and other similar venues?*





# Alongside fragility of consumer confidence, leaders also expect the likes of changing work patterns and squeezed incomes to negatively impact businesses

*Proportion of business leaders predicting trends to negatively impact their business over the next six months*



**38%**

**Of leaders predict that there will be sites that remain permanently closed across their estate**

**36% in June (21% undecided)**

**32% in April (31% undecided)**

**8%**

**Of leaders are undecided**

**For leaders who are predicting closures, the average proportion of sites predicted to close is**

**16%**

# In the face of widespread challenges across the market, two thirds of business leaders are anticipating redundancies

# 67%

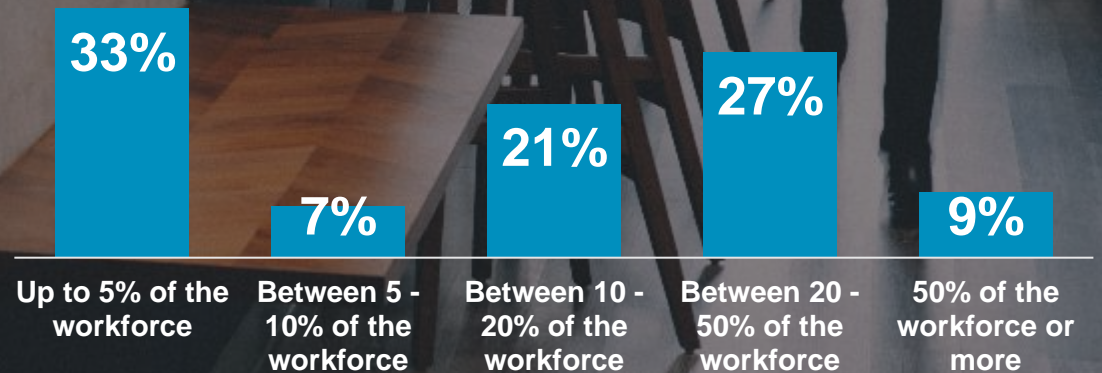
Of business leaders have already, or expect, to make staff redundant as a result of COVID-19

Those expecting redundancies, on average expect to make redundancies across

# 18%

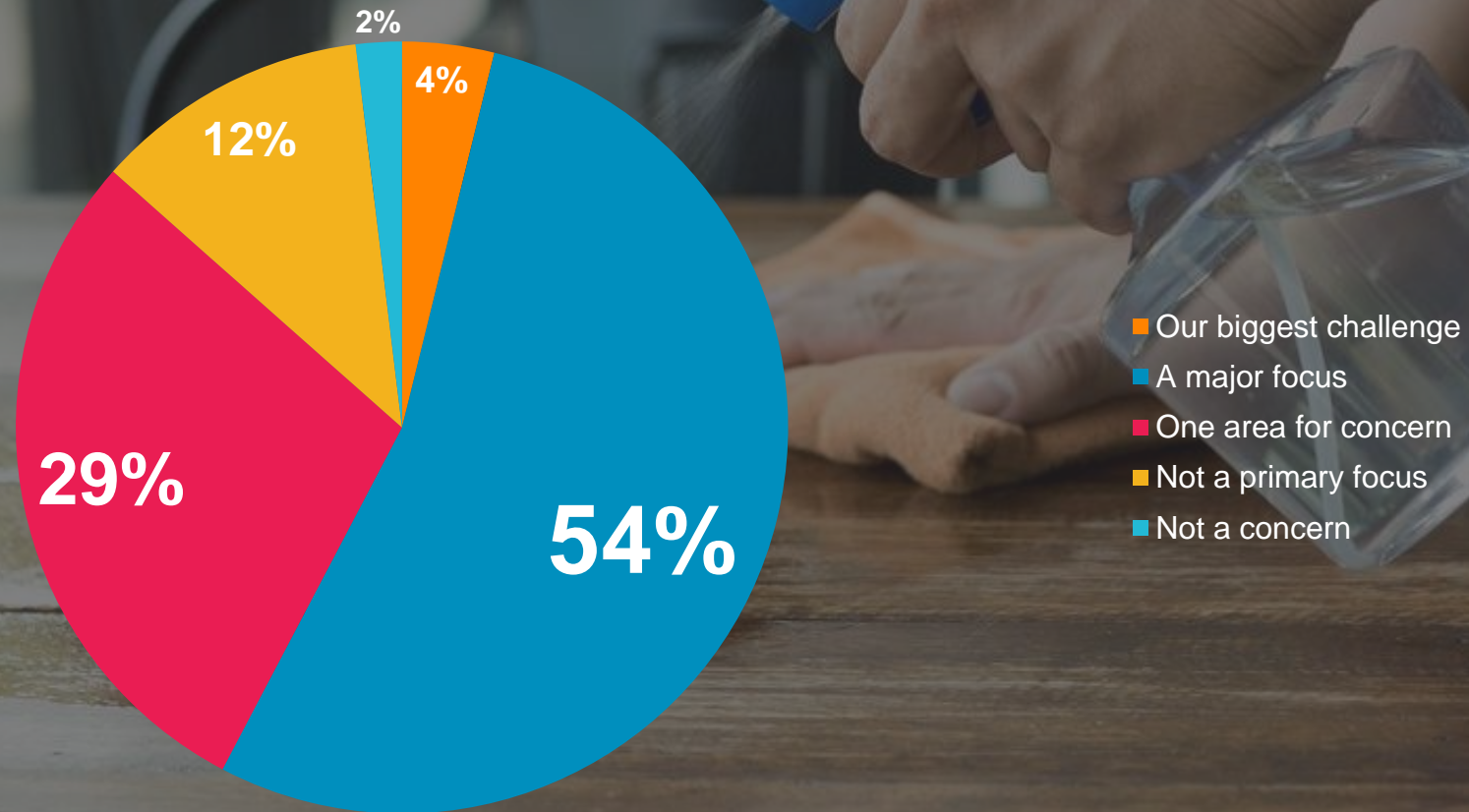
Of the workforce

What proportion of your February 2020 workforce do you expect to make, or already have made, redundant?



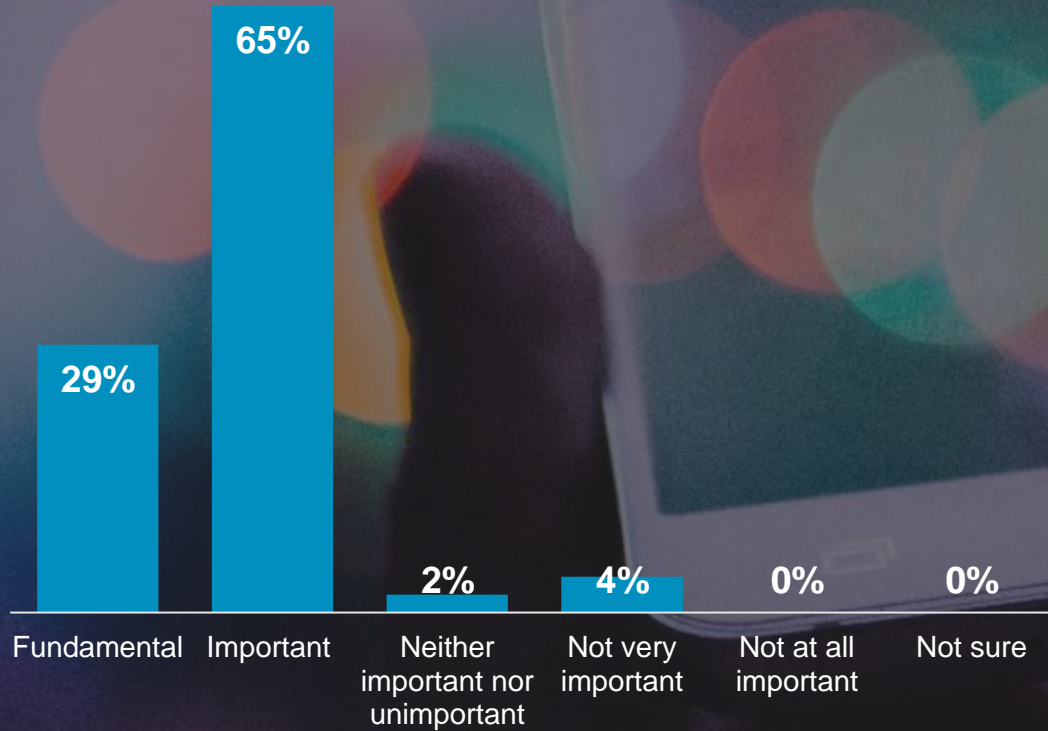
# With redundancies inevitable, there is a focus on employee productivity as leaders look for teams to work intelligently and efficiently

*How do you perceive employee productivity at your business currently?*

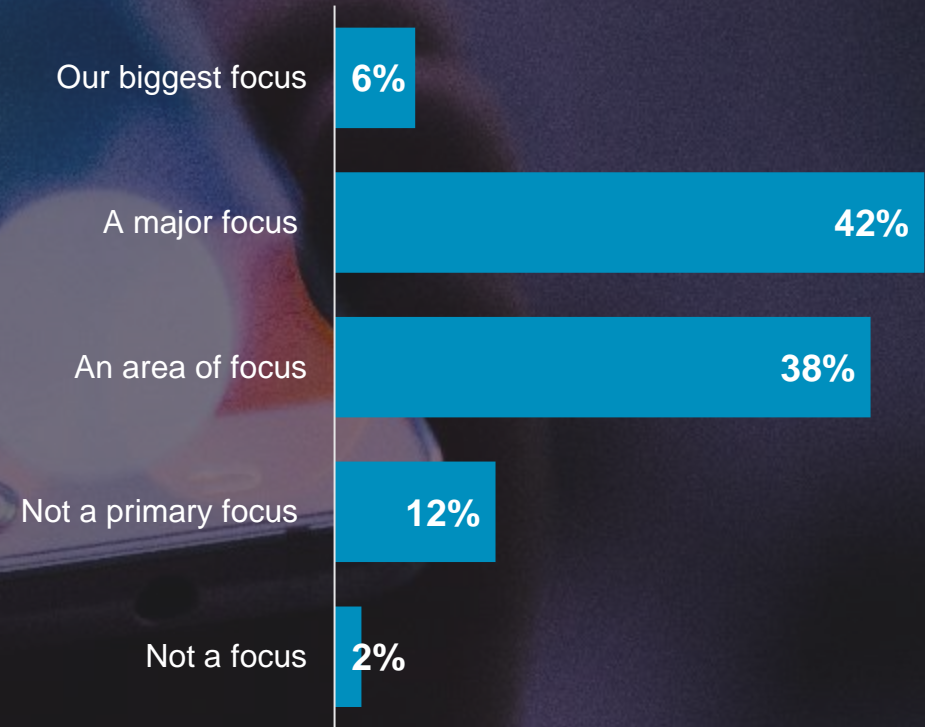


# Technology is predicted to increase in importance, with the vast majority of leaders leaning on technology to help them navigate the current market

*How pivotal do you believe technology will be in helping you successfully negotiate the current marketplace?*

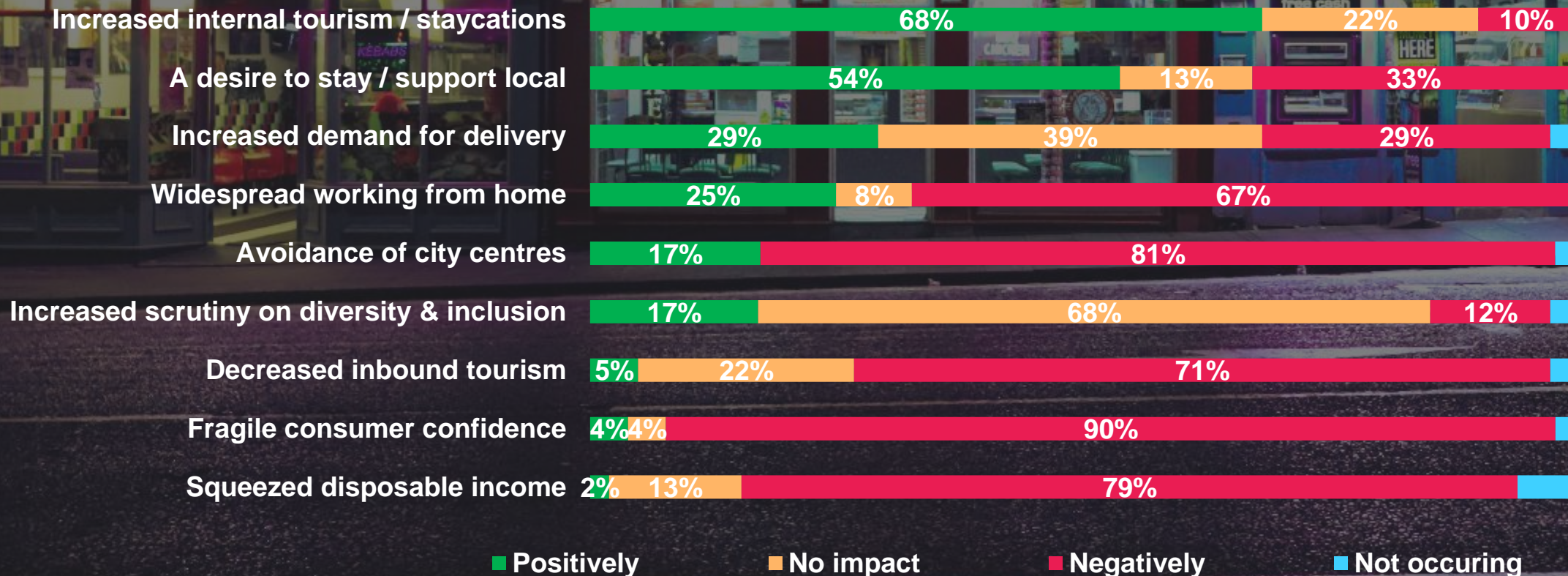


*How much of a focus has implementing new technology been post lockdown to help you safely reopen your business?*



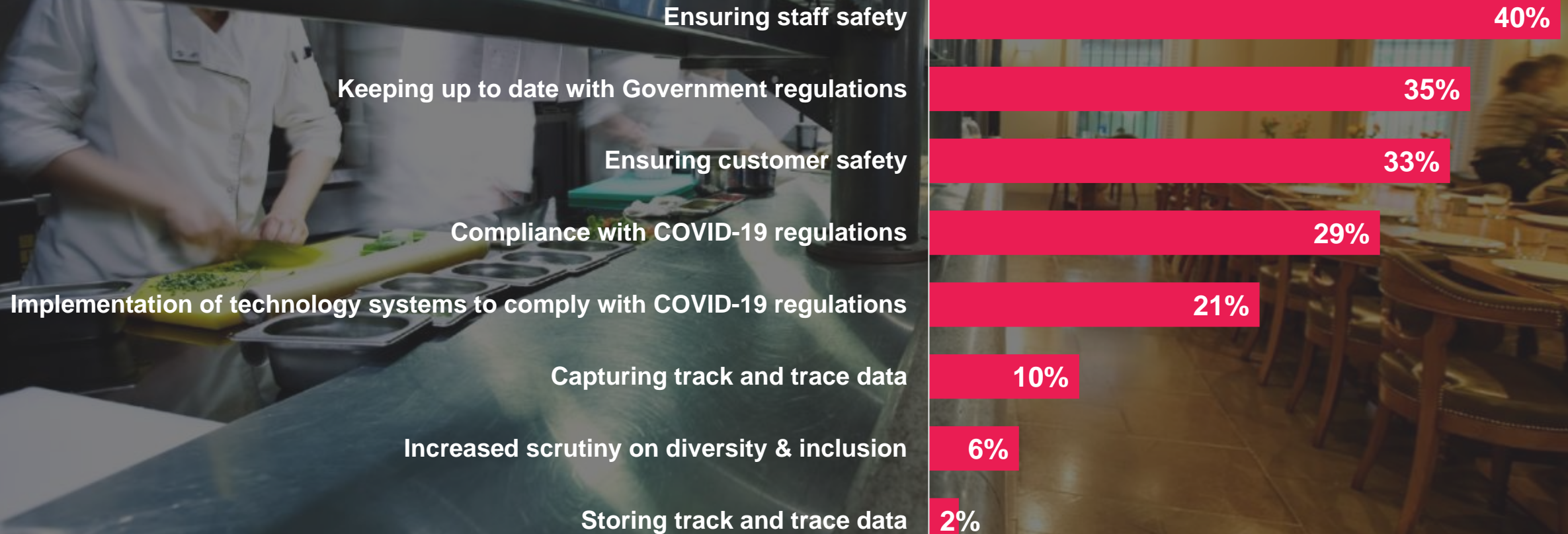
# Not all trends predicted are seen to be challenging, with some operators more optimistic around impact of macro trends on their businesses

How do you predict the following consumer trends / behaviours will impact your business over the next six months?



# Ensuring staff safety was the greatest operational challenge cited, with keeping up with government restrictions also proving challenging

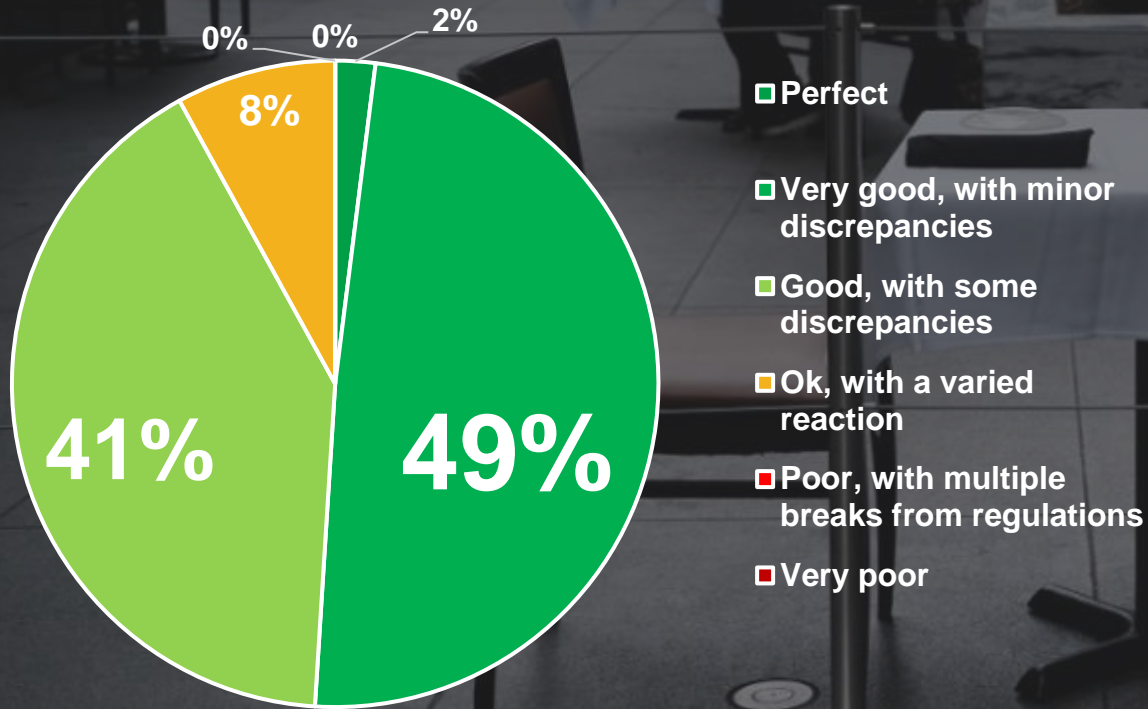
*Proportion of business leaders citing the below as “a major challenge” or “our greatest challenge” since re-opening*



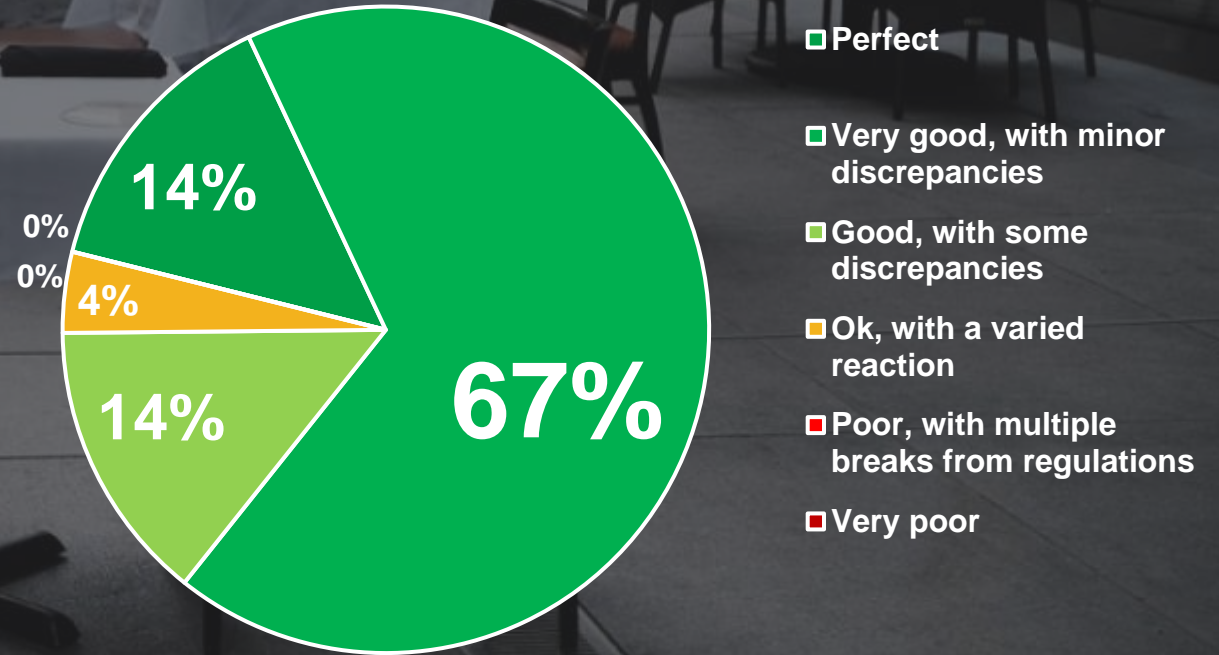
# Staff have been compliant, as have customers on the whole, with very few presenting an issue with the enforced measures and extra regulations

On the whole, how has compliance with additional COVID-19 measures and regulations been?

From customers



From staff



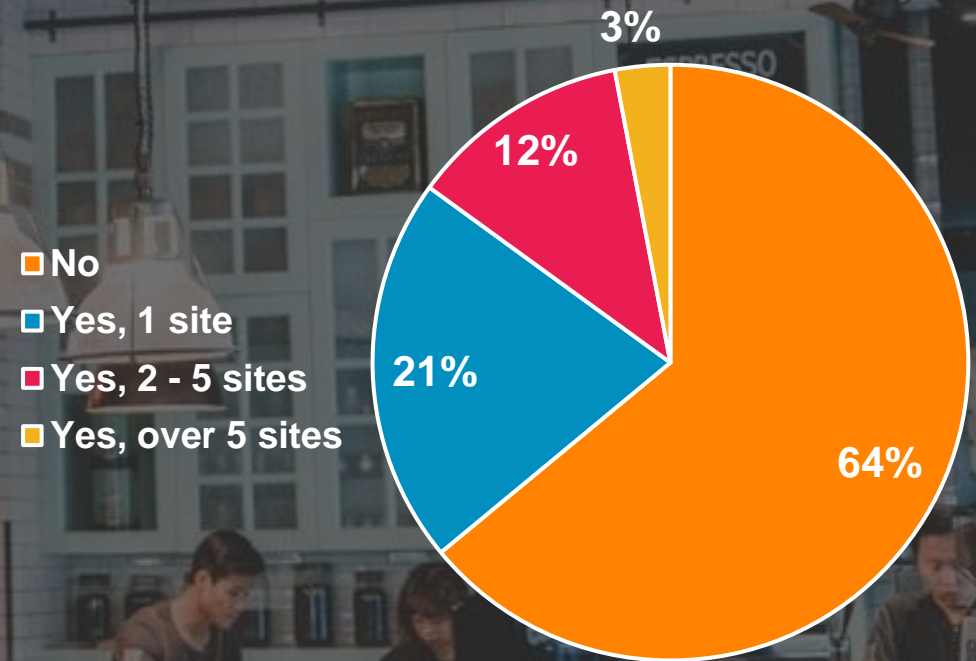


# Although closures are predicted across the market, opening plans have not stalled for all operators

# 26%

Of business leaders still have plans for site openings across the remainder of 2020

Are you planning on opening any new sites in the remainder of 2020?



## Contact:

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