



Market Report

A Snapshot of your Market Sector

Pubs and Clubs

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Pubs and Clubs** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **October 2022**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Pubs and Clubs market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Industry revenue is anticipated to **contract at a compound annual rate of 2% over the five years through 2022-23 to £20 billion**. While overall on-trade beer sales are expected to fall, the popularity of craft beer is anticipated to offer business some opportunities for growth over the next five years. Establishment numbers are expected to fall over the next five years, as many independent pubs will struggle in the bleak economic conditions. Over the **five years through 2027-28**, industry revenue is expected to **grow at a compound annual rate of 2.2% to reach £22.3 billion**. (IBISWorld, *Pubs & Bars in the UK*, August 2022).
- ◆ Industry revenue is forecast to contract at a compound annual rate of 10.4% over the five years through 2022-23 to £1 billion. The forced closure of industry establishments in 2020-21 caused revenue to plummet. As nightclubs reopened from 19 July 2021, **revenue bounced back, increasing by 178.8% in 2021-22 to £683.1 million**. (IBISWorld, *Nightclubs in the UK*, August 2022).
- ◆ Our central estimate is for the pub industry to see value **sales reach £26.1 billion by 2026**. Under-35s are more frequent pub/bar visitors than older cohorts, likely linked to younger people being more likely to go out socialising. Consequently, the ageing of the population and the projected 2% fall in the number of 18-34s to 2025 will dent sales growth for the pub industry. (Intel, *Pub Visiting*, October 2021).
- ◆ Estimated at just under **£46 billion in 2021, total UK value sales of alcoholic drinks grew by 3.5% over 2016-21**. Total value sales for alcoholic drinks are projected to **rise by 32.8% to just under £61 billion and volume sales to rise by 5.7% to reach 7.2 billion litres over 2021-26**. The income squeeze in 2022 will add momentum to the moderation trend, given the high percentage of people who would stop buying or cut back on alcohol to save money as already noted. This aligns with saving money being a key reason for moderating alcohol intake, cited by **38% who reduced/limited their alcohol intake** in the 12 months to April 2021 (Intel, *Alcoholic Drinks Review*, May 2022).
- ◆ The national organisation for this industry is the [Scottish Beer and Pub Association](#). Other industry bodies include the [Scottish Licensed Trade Association](#), the [Night Time Industries Association](#), the [British Beer and Pub Association](#), [Scotland Food and Drink](#), [UK Hospitality](#) and the [Campaign for Real Ale \(CAMRA\)](#).

Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld – Pubs and Bars in the UK (August 2022):** People aged between 26 and 35 tend to visit pubs in the middle of the week and are more likely to participate in pub quizzes. However, the rising cost of living, coupled with inflation, may cause a slight decline in industry demand as household disposable income is likely to fall in 2022-23. During periods of poor economic conditions, demand for pubs and bars may fall, as consumers are likely to cut spending on food and alcohol or choose cheaper options like buying from supermarkets.
- ◆ **IBISWorld – Nightclubs in the UK (August 2022):** Industry demand is particularly sensitive to factors that affect spending by people under 25. Falling off-trade alcohol prices over the past five years led to more young people buying alcohol from supermarkets and pre-drinking before going to nightclubs in order to save money. This trend is expected to remain prevalent in 2022-23 due to the cost-of-living crisis and rising inflation.
- ◆ **Mintel – Pub Visiting – UK 2021 (October 2021):** A fifth of pub visitors say they'd visit pubs more often if they could use an app to order drinks, while table service would make 42% visit more often. The work-from-home edict has had a drastic negative effect on city centre pubs, reducing footfall in these areas to a fraction of the pre-COVID normal. These venues will be hoping for a wider return to the office from 2022, however, Mintel expects a significant permanent shift towards more hybrid working.
- ◆ **Mintel – Attitudes towards Low- and No-Alcohol Drinks – UK 2022 (August 2022):** While the large majority of adults continue to drink alcohol (79%), moderation is mainstream, posing a notable threat to the alcoholic drinks industry. One in three adults (32%) actively limited or reduced the amount of alcohol they drank in the 12 months to May 2022 compared to how much they would normally consume. Alongside the one in five adults who do not drink alcohol, this represents a huge potential audience for the low- and no-alcohol drinks market to target.

There are also a number of online resources you may find helpful:

- ◆ **Spice Briefing - Hospitality in Scotland: impact of the pandemic and the cost-of-living crisis** - published July 2022 (tinyurl.com/mwtctk83) - *The number of hospitality jobs had still not recovered to pre-pandemic levels by March 2022. When compared to the UK, Scotland is behind in recovering these lost jobs.*
- ◆ **Fraser of Allander Institute - Intense pressures remain as Scottish hospitality returns to the global stage** - published July 2022 (tinyurl.com/2s4knejv) - *At 174,000, the number of UK wide vacancies within the accommodation and food services sector during March to May 2022 was double pre-pandemic levels... Whilst all sectors have seen an increase in vacancies, the vacancy rate in this sector is higher than any other, at 13.4% of total vacancies.*

Disclaimer: Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.

Connect with us

How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



Connect with us

What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

Although every effort has been made to ensure the accuracy of the information provided, Business Gateway will not be held liable for any inaccuracies or omissions in the data supplied, or for the content of any website that the document above may contain links to. By using this information, you accept this disclaimer in full. Also, please note that Business Gateway does not endorse any business or individual that may be referred to above.

You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

Last updated: October 2022

Updated by: Fiona

Connect with us

