

COVID-19 Weekly Insight Update

W/E 3rd July 2020
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Key Take Outs

- 1) **UK daily cases going down and restrictions lifting** with pubs, restaurants, hairdressers, cinemas and theme parks reopening on Saturday 4th with strict social distancing rules. In this phase the challenge is to keep people following social distancing and safety protocols to avoid a resurgence as the virus is still around.
- 2) Last week **a number of companies announced more than 12,000 job cuts**. Many have been using the government's furlough scheme but from next month the program will start to be pared back and will end in October. Firms have to consult for 30-45 days when making redundancies.
- 3) During the **super Saturday footfall was +19.7% vs last week**, rising sharply after 5pm (+26% in central London, +29.4% in regional cities). However, overall numbers of visits to High Streets were -56% YOY in England and -68.4% in Scotland.
- 4) **Online grocery and convenience** continue to be the clear winners at a channel level; both still in double-digit growth.
- 5) The **convenience channel** is changing as consumers buy more to support in-home meal occasions and retailers launched delivery services for the first time (more than 600,000 grocery deliveries per week across the UK).

UK welcomes the easing of lockdown restrictions but the virus will be around for some time

The infection in the UK

285,416 lab confirmed cases

516 lab confirmed cases per day

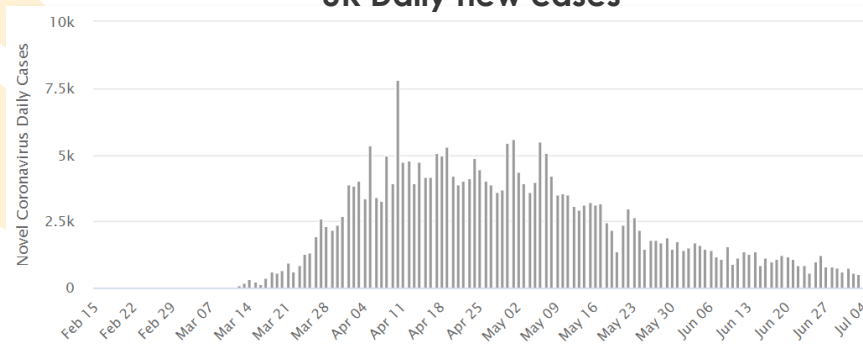
44,220 deaths*

Worldwide
>11.6M confirmed cases

>537,000 deaths

UK daily cases going down. As restrictions lift the challenge is to keep the population following social distancing and safety protocols to avoid a resurgence.

UK Daily new cases



Source: Gov.uk & Worldometer as per 6/7/2020

* Covid-19 associated deaths, not just in hospitals

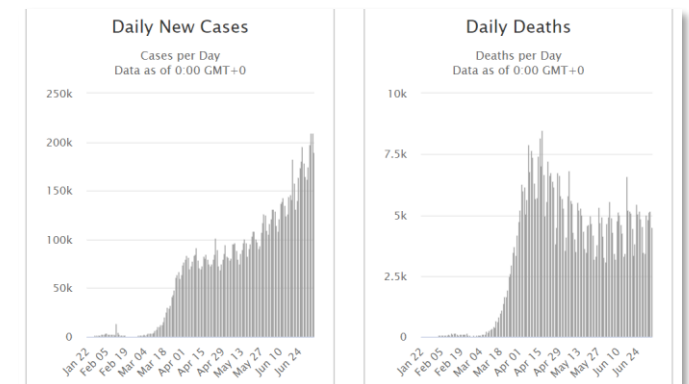
Estimations from MIT, based on research in 84 countries:

- For each recorded case, 12 go unrecorded
- For every 2 Covid-19 deaths counted, a third is misattributed to other causes
- Without a medical breakthrough the total number of cases will climb to 200-600m by spring 2021 (from 11.5m today). By then, between 1.4m and 3.7m people will have died (vs over half a million today)

The outcome depends on how societies manage the disease.
Without a cure or vaccine, containment depends on people learning to change behaviours.

On Feb 1st the World Health Organisation counted 2,115 new cases.

On June 28th its daily tally reached 190,000.



Sources: The Economist, 4/7/2020; Worldometer graphs, 5/7/2020

UK firms slash more than 12,000 jobs in two days

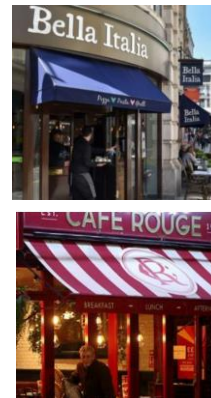
A number of firms announced cuts - mainly High Street retailers and in aviation, two of the sectors hardest hit by the lockdown.

- **John Lewis** said it will close stores but has not confirmed how many jobs will go.
- **Topshop** owner Arcadia and **Harrods** plan a total of 1,180 job cuts.
- Others include:
 - Up to 5,000 job cuts at **SSP Group**, owner of Upper Crust and Caffè Ritazza
 - About 600 at shirt-maker **TM Lewin**
 - Up to 900 cuts at management consulting firm **Accenture**
 - 300 staff cuts across **Virgin Money**, **Clydesdale Bank** and **Yorkshire Bank**
 - 1,700 UK jobs at plane-maker **Airbus**
 - And 1,300 crew and 727 pilots at **EasyJet**
 - **British Airways** plans to slash 12,000 jobs
 - **Rolls-Royce**, which makes jet engines, will cut 3,000 UK jobs
 - **Byron Burger** plans to bring in administrators putting 1,200 jobs at risk
- **WH Smith**, **Bensons for Beds**, **Wrights Pies**, tableware-maker **Steelite International**, the **Adelphi Hotel in Liverpool** and **Norwich Theatre Royal** also announced plans to reduce staff.



For most businesses, staffing is the **highest cost**, with many using the government's furlough schemes to keep workers on.

But the program, which is paying 80% of the wages of more than 9 million workers, will start to be pared back from next month and will end in October. As firms have to consult for 30-45 days when making redundancies, some feel that now is the time to act.



Café Rouge and Bella Italia owner falls into administration

91 Casual Dining Group outlets will close immediately, and 1,900 of the firm's 6,000 staff will lose their jobs.

The restaurant's closing are mainly located in England, with some in Scotland and Wales. 159 of the group's 250 outlets will remain open.

Pubs and hairdressers reopened in England on Sat 4th



- **Pubs, restaurants, hairdressers, cinemas and theme parks** have reopened on Saturday 4th with strict social distancing rules.
- However, ministers have urged caution and England's chief medical officer said the step is not risk free.
- According to the Night-Time Industries Association some **31% of bars, pubs and restaurants are not opening yet amid fears for safety.**
- Campaign for Real Ale (Camra) said **as many as half of England's pubs might stay shut this weekend** as the government have not been helpful with their guidance, leaving it to the last minute in a lot of cases. Some pubs want to see what's going to happen before reopening.

Source: BBC News 4 & 5/7/2020

- **Footfall** was **+19.7%** vs last week, rising sharply after 5pm.
- **Evening footfall** **+26%** in central London, **+29.4%** in regional cities, and **+21.9%** in historic towns.
- In Scotland, footfall **+69.7%** vs previous Saturday as it was the first weekend of trading since the relaxation of the five-mile travel restriction.
- However, overall numbers of **visits to High Streets** in England were **-56% yoy** and **-68.4%** in Scotland.

Coronavirus: 'Crystal clear' drunk people will not socially distance



Streets were packed in London's Soho. The Police Federation said that it is crystal clear that drunk people can't/won't socially distance. The Metropolitan Police said a small number of premises closed early following advice from officers due to crowding.

The appetite for going out varies significantly

Likelihood to go out to eat / drink:



same as before,
or more



only when I feel
confident



less than before

16-24s
Men



Ostriches

I just don't see what the fuss is about. And I don't really care either

65+
Women



Precarious Worriers

This is really tough for me, with the kids, home-schooling, financially...



Follow the rules

I'm a bit worried about not seeing other people, but otherwise fine

35-44
45-64



Chilled & Compliant

I am pretty chill. I hope I can see my mates again soon

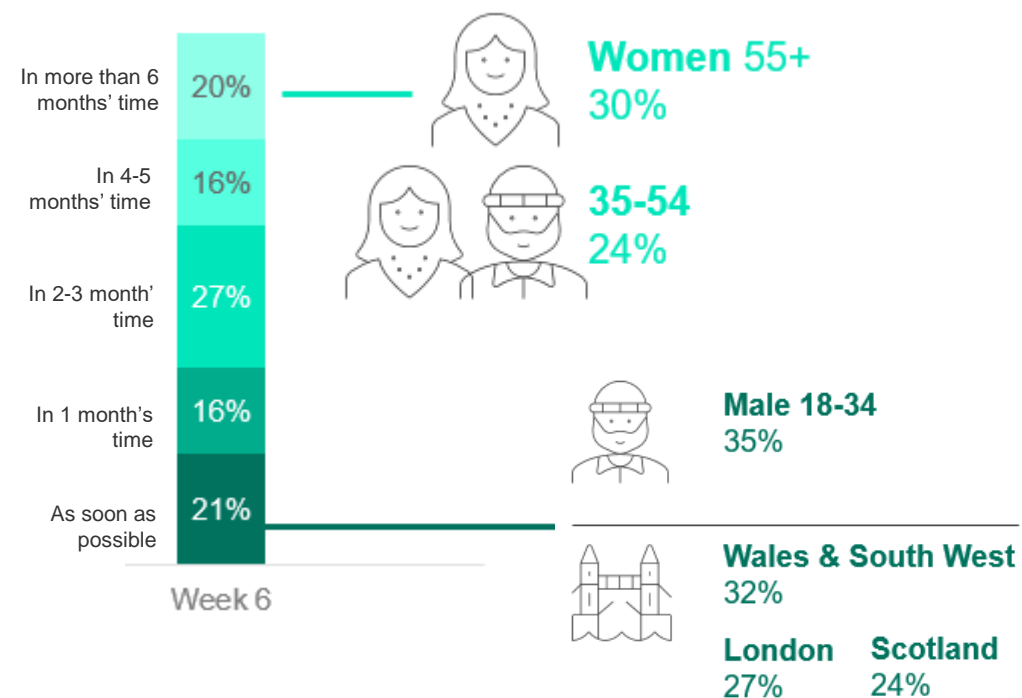


Patiently waiting

We'll be just fine. The main impact is not seeing others

Only around 1 in 5 would feel comfortable to go to restaurant/bar immediately - with a skew towards younger men and specific regions

Assuming there were no longer any government restriction, when would you feel comfortable going to a restaurant/bar?



Source: Kantar's COVID-19 Barometer wave 6 (19-23rd June).



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Consumers re-creating OOH events in home

If not possible to attend, consumers create their own events in home

#GlastoAtHome

Steve Winter
@chadhalfwit

Raining Saturday so I put our stuff up now!
#GlastoAtHome @bbcglasto @glastobation

4:37 PM · Jun 24, 2020 from South West, England · Twitter for iPhone

#wimbledonrecreated

Wimbledon @Wimbledon · 18h

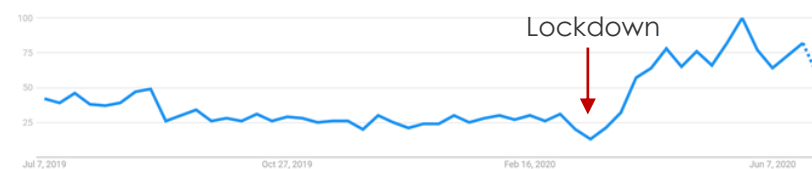
A Wimbledon themed weekend is the best type of weekend 🍷

#WimbledonRecreated

5 34 395

Growing interest in back garden bars

Google searches for 'garden bar'



jürgen.manchild
Seaford, East Sussex

Who needs a pub when you got ollies bar

18 5 comments

Liked by m.c.shepps and 74 others

jürgen.manchild Bar level - Completed.

Restaurant finish at home meal kits likely to stay

Jikoni, Ravinder Bhogal's restaurant in London, has launched the 'Comfort & Joy' brand exclusively for vegetarian and vegan meal delivery boxes

JIKONI

Today's Box ~ The Rafiki Box

Main 1 - Baby Aubergine Pasta Coconut Basil Curry
Main 2 - Sweet Potato Bhaji Apple, Pomegranate
Side 1 - Cucumber Kala, Cabbage and Beetroot New Potato Lime Dressing
Side 2 - Saffron Rice

To receive regular updates on the upcoming boxes for the week sign up to our mailing list.

cincinuk
Cin Cin

CIN CIN AT HOME THREE COURSE BOXES FOR TWO AVAILABLE NOW FOR DELIVERY OR COLLECTION

Liked by daveytwomeals and 99 others

cincinuk Our Cin Cin At Home deliveries are selling out fast but there's still a few boxes to get you... more

View all 7 comments

raquelle_flores Will you continue the 'At Home boxes post lockdown?

cincinuk @raquelle_flores yes! 🙌

Growth of MyMealAway.com and MyLocalDelivers.com, both allow independent restaurants to offer meal kit deliveries

Local restaurants are looking to keep meal kits

The changing landscape of convenience

Consumers buying more to support in-home meal



Increased purchasing of ambient food as consumers use c-stores for regular grocery shops.

Increased purchasing of frozen and chilled meal solutions to support increased in-home meal solutions.

Reduction in Food-to-go with people at home more.

- ✓ Retailers will become more selective on range – in the short term Food-to-Go will be reviewed
- ✓ Partnerships with local businesses & restaurant chains to serve and embed new home-based occasions
- ✓ The close proximity of convenience stores offers more in-home snacking

Collapse of footfall in the city centre and transit locations



City centre and transit locations are being impacted by the lockdown as people work at home and shop online.

Retailers such as M&S have reported declining sales in its franchise travel locations and Sainsbury's closed a handful of convenience stores where footfall was impacted. Some retailers used closed store as dark stores to fulfil delivery orders.

- ✓ Reduced footfall in city centre & public transport commuter locations as working from home likely to become more permanent. Stores could be re-purposed in the short/medium term
- ✓ Neighbourhood locations likely to see increased footfall with planned shopping missions
- ✓ Increased footfall in tourist locations & forecourts due to likely rise in 'staycations'

Rapid acceleration of delivery

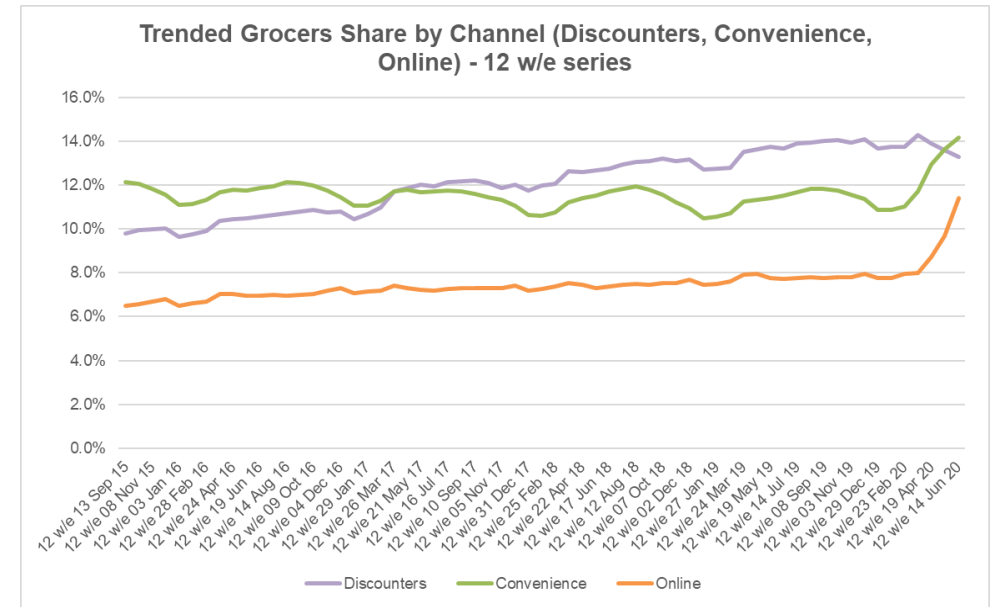
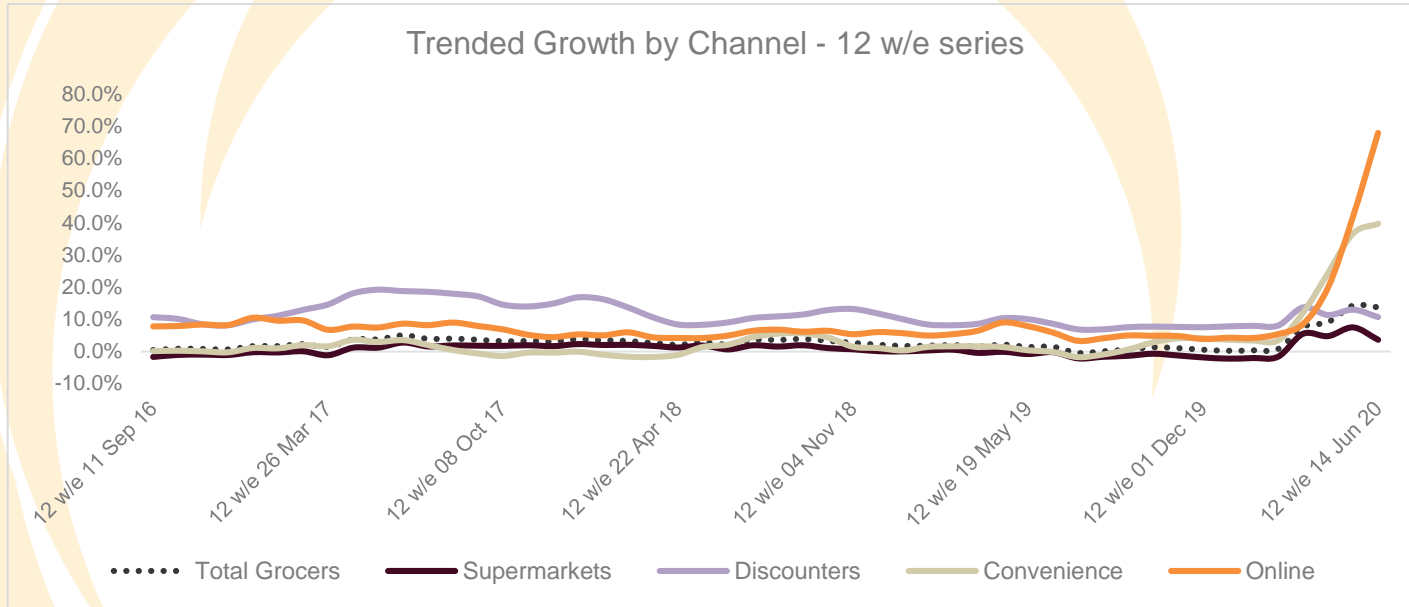


Many retailers launched delivery services for the first time. Figures from the Association of Convenience Stores highlighted local stores across Britain are making more than 600,000 grocery deliveries per week.

The survey also showed around 2/3 of local stores now offering some form of delivery.

- ✓ There will be a growing number of new partnerships with on-demand fulfilment platforms. Existing partnerships will be rolled out further and strengthened
- ✓ The natural space for convenience operators to play in online is smaller orders and rapid fulfilment. They are close to customers' homes so well placed to do this.

Online & convenience are still the key winners at a channel level



Latest Online News:

Waitrose is planning to open a third customer fulfilment centre in London in a continued push to expand its online presence in the capital. Delivery slots would be four times higher than the start of the year when the centre is operational as early as December.



Pret A Manger is trialing an evening dinner menu for delivery in an effort to tempt consumers looking for healthier options. 'Dinners by Pret' will start deliveries of an evening menu on 7 July from seven shops in London, Nottingham, Cambridge and Bristol, as well as from a new hub kitchen in north west London.



Foodservice reopening focused on safety and tech solutions



- A **new restaurant meal kit service** to launch this week to support the hospitality and foodservice sectors
- Great Food 2U offers consumers the chance to recreate restaurant meals in their own homes, using premium ingredients from suppliers and recipe cards from a range of operators.
- Recipe kits available at launch include the double cheeseburger from Blecker Burger, fried chicken from Mother Clucker, Sunday roasts from The Secret Pub Company and tacos and burritos from Benito's.



- Will reopen four sites to trial its new sliding screen safety feature.
- In order to open safely whilst retaining its communal dining feel, it has designed Japanese partition-inspired sliding screens, which will sit on rollers and can be move up and down the full length of its benches to separate different parties.
- Other safety measures include distanced queueing, disposable menus and mobile payments, which will also adhere to the government's track and trace request.



- Will reopen six sites on 6/7 with a new booking platform to support the government's test and trace initiative.
- Launching alongside a mobile order and pay function and digital menus available via QR code scanning, the booking system will allow customers to book both events and booths, as well as manage party packages, split payments and collate pre-orders.



- Set to reopen in-restaurant dining in 66 of its sites on 6/7 under a new name.
- Rebranded to 'Famous at Fridays' the group will showcase a new design in six of the opening sites
- A new simplified menu will offer pot stickers, cobb salad and loaded potato skins, alongside re-introduced cocktails including a Negroni, Aperol Spritz and Espresso Martini.



- Reopened its entire managed estate and approx 70% of its tenanted pubs on 4/7.
- Has implemented a number of new safety protocols to ensure a safe reopening: new enhanced cleaning regime, multiple sanitation stations and digital menus.
- All payments will be taken by card and orders will be taken at-table or through its 'easy order' app.



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Our food, beverage and nutrition experts and the entire Nestlé Professional team are available to help and support you during this extraordinarily difficult time.

Please get in touch by phone: UK: 0800 745 845, ROI: 00800 6378 5385
(9am - 5pm Mon-Fri) or email us at: learn.more@uk.nestle.com



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