

# Industry Weekly Digest

## School of Hospitality & Tourism Management



### A Diamond Opportunity

The Hospitality sector has had a choppy ride through the Pandemic, and external challenges don't seem to be easing, whether they be **inflationary**, related to recruitment and retention or the availability of goods. However, the Queens Diamond Jubilee weekend may have provided some brief respite and a forecast **uptick in business** as the country celebrated.

In this Digest, **Mark Ashton** investigates the impact the four-day celebrations had on the sector and considers if this 'diamond opportunity' was fully realised.

Have a great Weekend!

# Did the sector profit from the Diamond Jubilee Celebrations?

**Mark Ashton**

The challenges to the Hospitality sector show no sign of slowing, even as we return to a new normal coming out of the COVID Pandemic. A 'perfect storm' is once again brewing between the cost of living crisis/inflationary challenges (both to spiralling costs, but also reduced consumer spending) and surging energy costs. UK Hospitality has recently warned that **more than 10,000 hospitality businesses are at risk of closure** citing a toxic cocktail of costs as the driver.

Despite these new challenges, the Diamond Jubilee celebrations over a four-day weekend represent a very real opportunity for the sector to profit. **Extended hours for alcohol sales** and two Bank holidays could represent **one of the busiest weekends of the year for the sector**. Forecasts ahead of the weekend were optimistic with some research suggesting the sector could receive up to a **£2.9 billion boost from the four-day celebrations**.



“

Forecasts ahead of the weekend were optimistic with some research suggesting the sector could receive up to a **£2.9 billion boost from the four-day celebrations**

”

Initial **results** suggested that Hospitality businesses benefitted from a boost in spending over the weekend, with consumer spending in restaurants up 41.5%. Data from Barclaycard Payments, which processes nearly £1 in every £3 spent on credit and debit cards in the UK, showed that during the Platinum Jubilee long weekend (2nd - 5th June) transaction volumes soared across several sectors. Compared to 3rd - 6th June 2021, spend in pubs, bars and night clubs was also up 74.2% although some COVID restrictions were still in place at this time.

Further **data** (from CGA by NielsenIQ's) showed that the double bank holiday lifted sales for Britain's pubs, bars and restaurants, but street parties dented trading over the weekend. The research revealed average on-premise sales from last Wednesday to Sunday (1st -5th June) were 5% higher than the average for the equivalent period over the previous 12 weeks. However, after uplifts of 47% on Wednesday, 54% on Thursday and 7% on Friday, sales dropped by 20% and 22% on Saturday and Sunday respectively. CGA's data also showed food sales increased by 8% over the period, while drinks sales achieved a 3% uplift.

Initial analysis suggests that it was very much a Jubilee holiday of two halves for operators and suppliers, with an early upswing followed by a tougher weekend. Perhaps early excitement about the extra bank holidays was met with a desire to mark the occasion at home and within local communities, perhaps at Street Parties over the weekend, maybe with cost of living concerns impacting too. Perhaps not the major boost to trading the sector had hoped for, but it does show pubs and restaurants remain a key part of celebratory occasions.

For further detailed trading results from the weekend please click [here](#) and [here](#)