

# CGA Business Confidence Survey May 2023

In association with Fourth



# METHODOLOGY

The CGA Business Confidence Survey (May) in association with Fourth, the leading industry provider of Workforce Management and Inventory Management solutions, surveys performance, forecasts and opinions based on senior leader research undertaken between **25<sup>th</sup> April** and **12<sup>th</sup> May**.

**The findings in this report are based on responses from hospitality Business Leaders i.e. multi-site operators**, (supplementary responses were also collected from independent operators to allow comparisons).

In total, leaders of multi-site operators across the hospitality sector taking the survey equated to over.....

**13,000** sites

**53%** CEO / MD

**29%** Chair & board level


**18%** Other senior management



## contents

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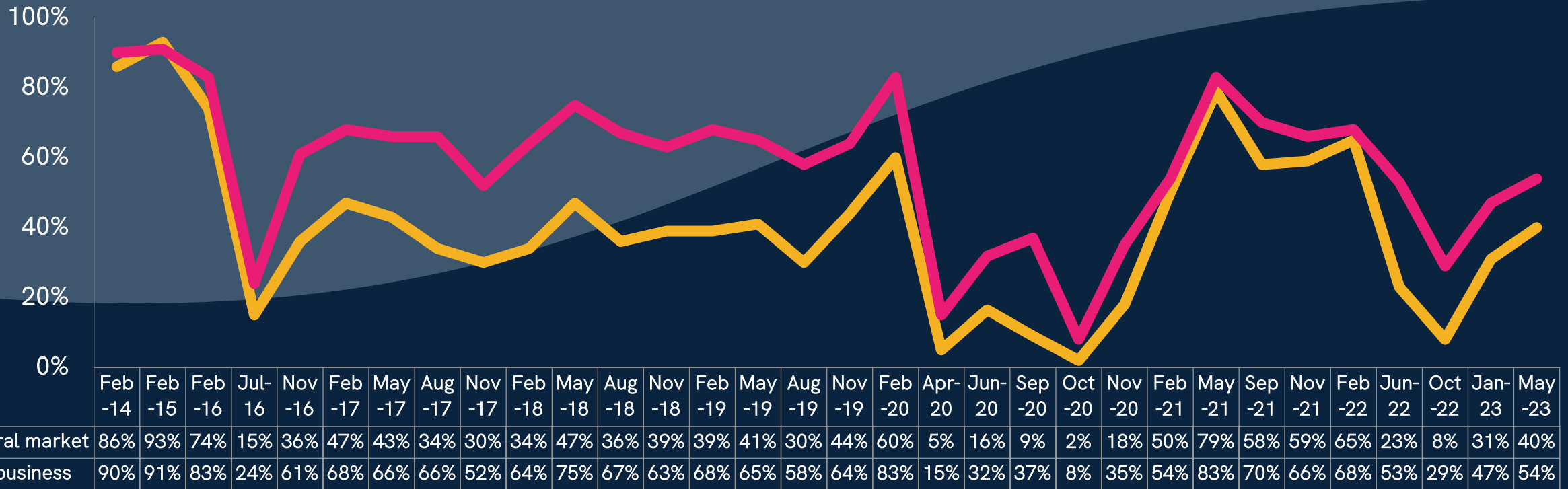
- + Optimism continues to climb, businesses remain resilient
- + Operating challenges: Food inflation slows, but challenges persist
- + Operating challenges: Increasing confidence in the workforce

A photograph of a bar interior with a wooden counter, stools, and a well-stocked backbar. A large pink circle is overlaid on the left side of the image, containing white text. The background shows a man in a blue shirt and a woman near a window.

Optimism  
continues to  
climb, businesses  
remain resilient

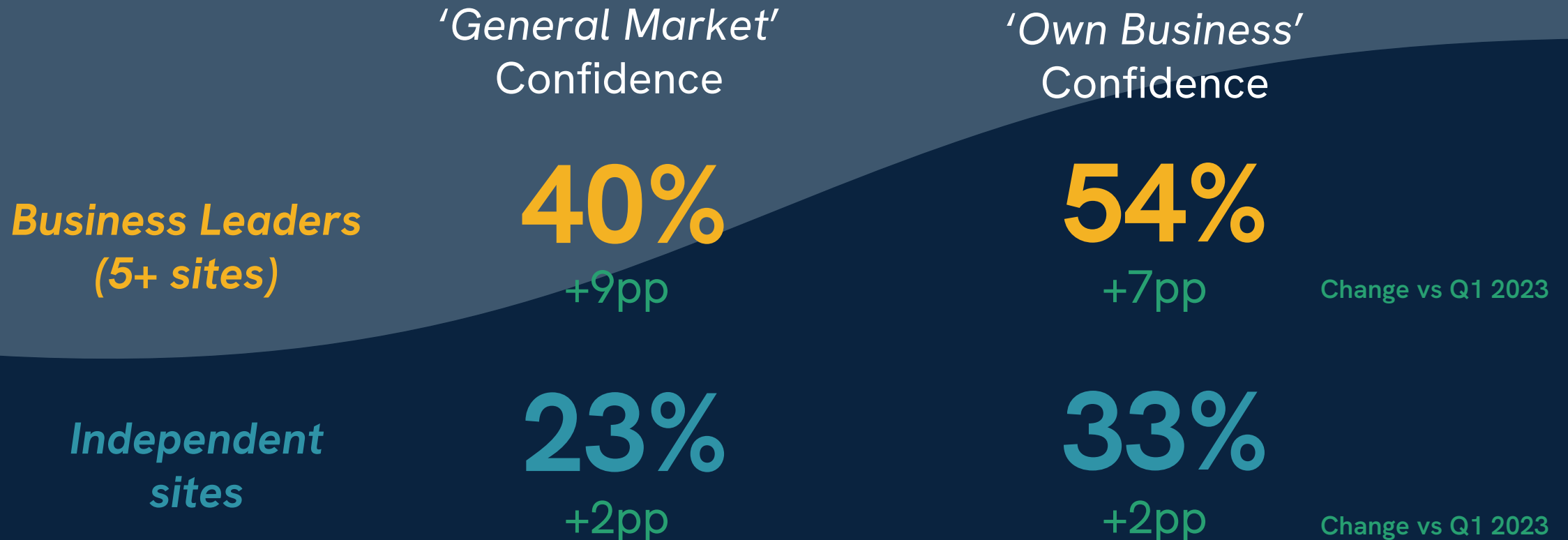
# Business Leader confidence has risen again in May, with over half optimistic about their own business over the next 12 months, and 2 in 5 optimistic about the wider market

Business leader confidence across the market and in own business (over next 12 months)



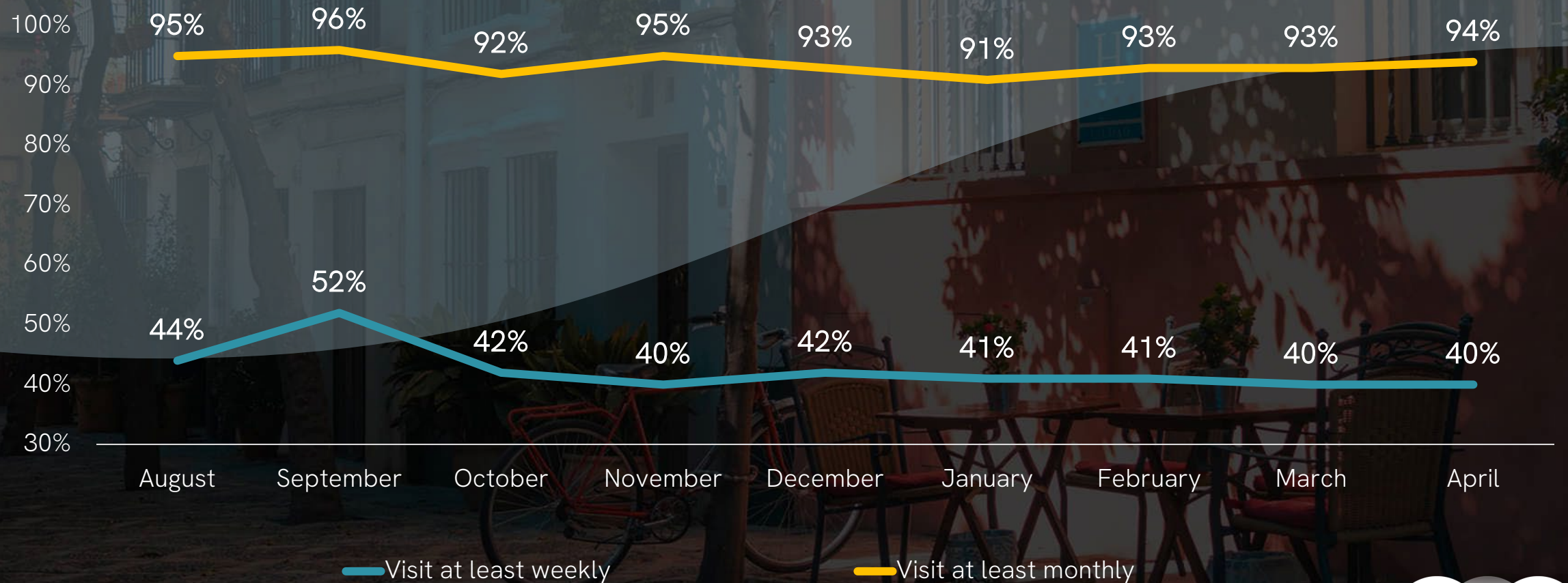
# The optimism gap between Business Leaders' own businesses and the wider market may be driven by the perceived challenges faced by independents, who are less confident in their own prospects

Business leader confidence across the market and in own business (Trended vs January 2023)



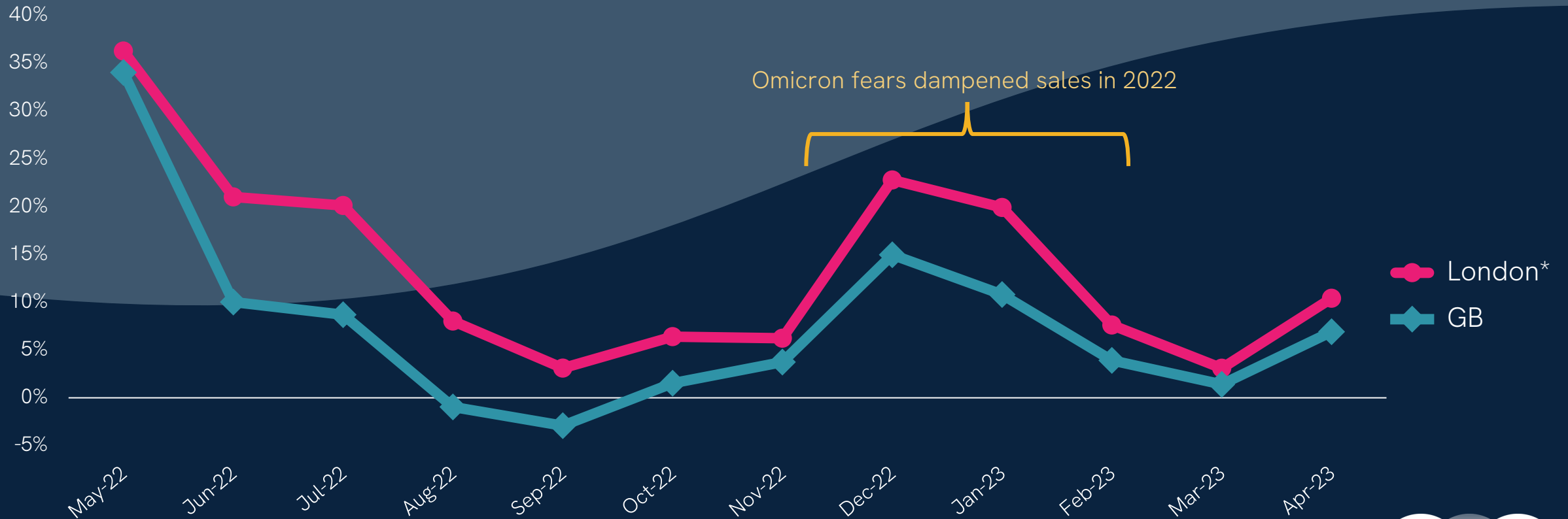
# Despite the cost-of-living crisis, consumer appetite to visit the sector remains high, with 2 in 5 consumers visiting at least weekly, and a growing number of consumers returning to visit monthly

Visits this month to the On Premise



# The GB market has broadly seen growth on the previous year, with London leading national sales performance

Total 'Like-for-Like' Sales vs same period last year (Managed Market)





The managed market remains confident in its stability with the majority not seeing failure as a risk, and those that do feel threatened not anticipating it as an imminent risk

86%

believe their business is not at risk of failing in the next year

14%

believe their business is at risk of failing



1%

Believe their business is at risk of failing in next 1-3 months

13%

Believe their business is at risk of failing in next 4-12 months



However independents are significantly less optimistic about their prospects, with 2 in 5 reporting they at risk of failure in the next 12 months

14%

of **leaders (5+ sites)** say their business is at risk of failure in the next 12 months

40%

of **independents** say their business is at risk of failure in the next 12 months



The sector as a whole, but specifically independents, has already seen the impact of business failures in recent months, with a further net decline of 756 sites in the first 3 months of 2023

Net change in no. of On Premise sites - By Tenure -December 2022 to March 2023

On-Premise

**-756** (-0.7%)

Managed

**+54** (+0.3%)

Leased & Tenanted

**-227** (-1.3%)

Independent

**-583** (-0.9%)

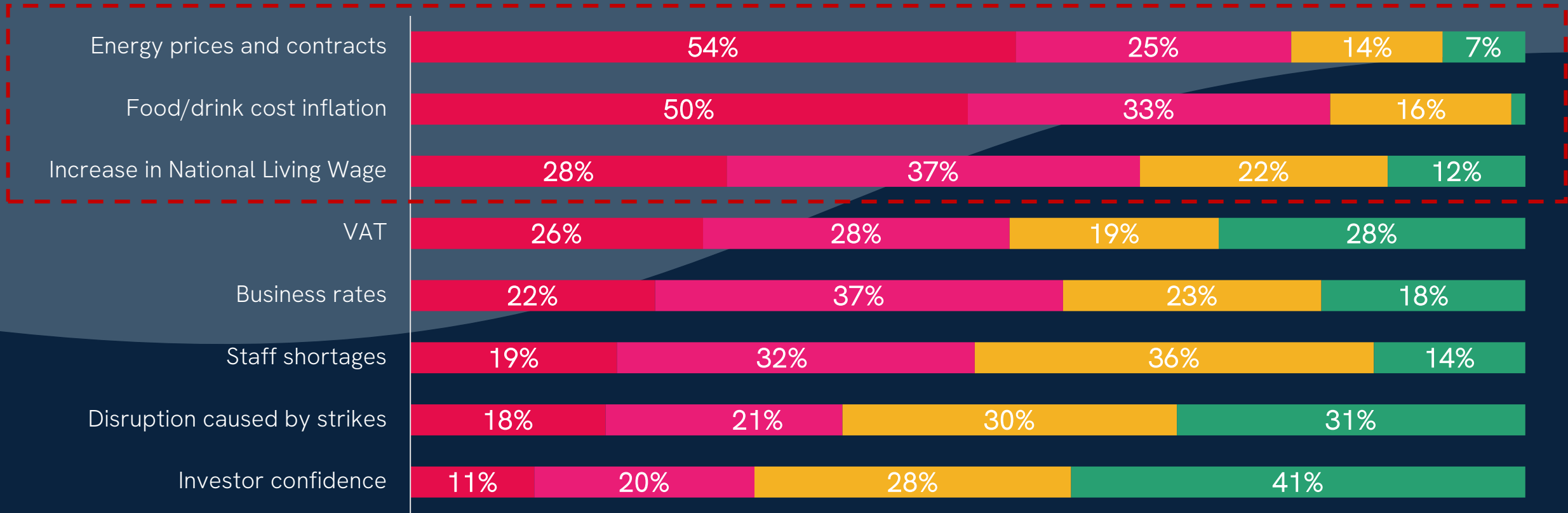


# Operating challenges: Food inflation slows, but challenges persist



# Energy costs, wider inflationary pressures and an increase in National Living Wage rank as the key concerns for leaders in the coming year

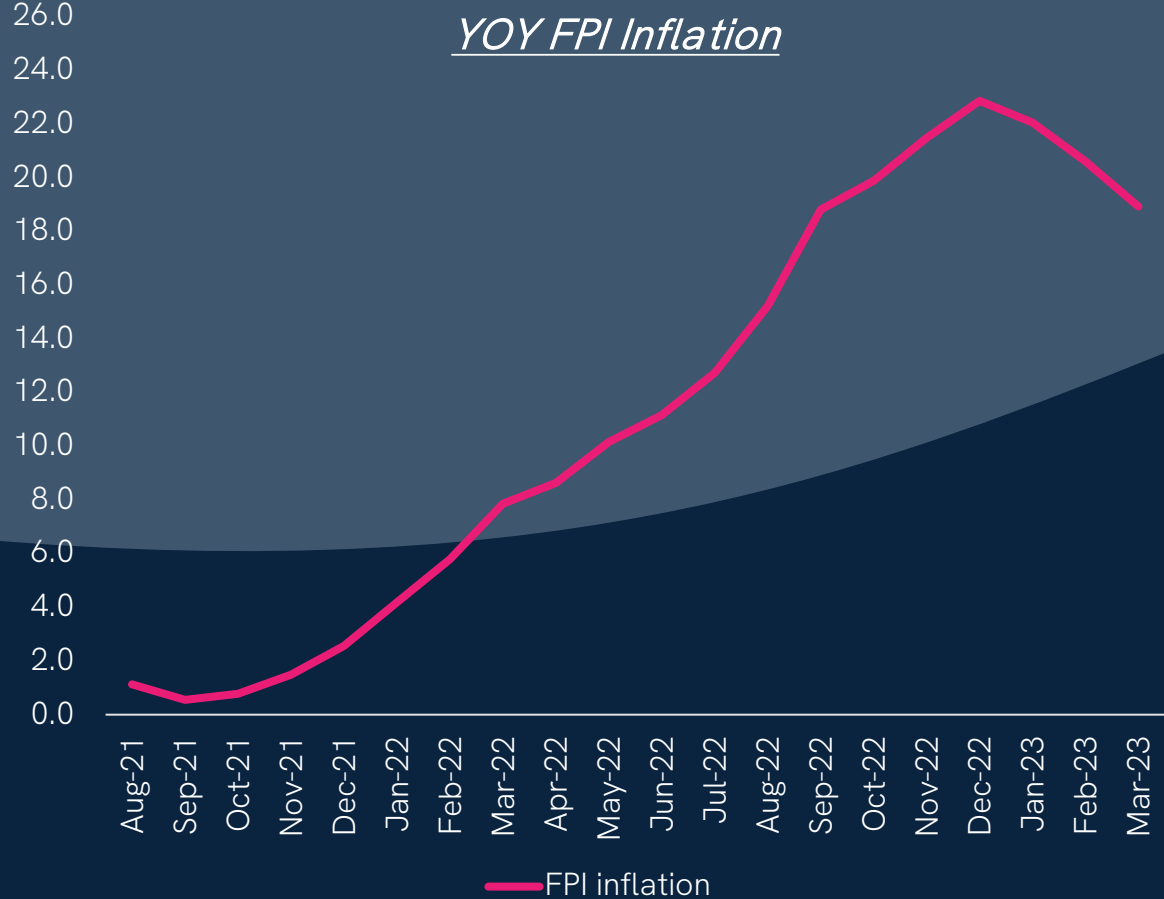
How concerned are you by the following financial & economic challenges to your business in the next 12 months?



■ Very concerned   
 ■ Concerned   
 ■ Moderately concerned   
 ■ Not concerned



Throughout Q1 2023 Food Price Inflation (FPI) has experienced the first decline since September 2021, providing a small relief to the rate of inflation, but YoY cost growth remains high

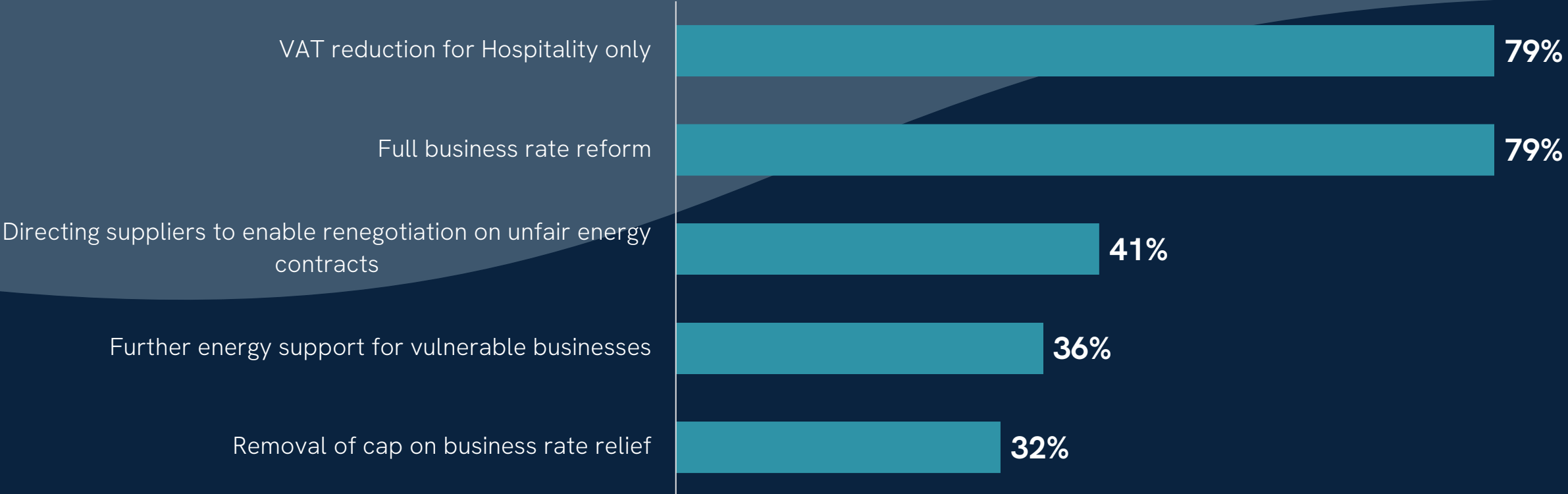


FPI inflation is up  
**18.9%**  
Year-on-year



# Energy prices remain a persistent concern, but Business Leaders continue to see VAT reductions and business rate reform as the key methods through which the Government could offer support

What Government support would you want to help with your business in the coming months?



# Operating challenges: Increasing confidence in the workforce





While still above pre-pandemic levels, the vacancy rate has largely plateaued in the last 12 months, and is well below the Q3 2021 peak of 16%

9%

of roles are currently  
vacant and open for  
application (on avg.)

*(vs 9% Q1 2023)*

*(vs 16% Q3 2021)*

Leaders have increased staff pay by +11% in the last year. This figure would represent a pay rise in 'real terms' even when considering high inflation

Leaders have increased staff pay by **+11%** in the last 12 months



# The measures taken by leaders to upskill their workforce during a labour shortage has boosted confidence in training and retention, although doubts linger around recruitment

How confident are you in recruiting, training and retaining your workforce over the next 12 months?

*% Very confident or confident*

*Training*

**84%**

*Retention*

**60%**

*Recruitment*

**49%**



# Contact Us

To learn more or to speak to a member of the team,  
please feel free to get in touch:



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## About Fourth

When every hour of every shift matters, Fourth helps restaurants, retailers, and hotels conquer the day with data-driven workforce and inventory technology. The Fourth Intelligence Platform leverages more than 20 years of rich data and advanced analytics to deliver actionable insights and demand forecasting for optimising operations, maximising margins, and empowering employees. With a streamlined business powered by Fourth Intelligence, industry operators can act with certainty and conquer with confidence whatever comes their way every day.

*To find out more, visit [fourth.com](https://fourth.com)*

