

# Business Confidence

October 2024





# Methodology

**October 2024**

The CGA Business Confidence Survey surveys performance, forecasts, and opinions, regarding the current and future state of the hospitality industry.

Those surveyed were in senior business roles, between 11<sup>th</sup> and 25<sup>th</sup> October 2024.

Results presented in this research are primarily based on responses from **Business Leaders**, defined as those from businesses managing five or more sites.

Supplemental data from single-site operators may be used for comparison, referred to as **Independents**.

The number of sites managed by Business Leaders equates to more than:

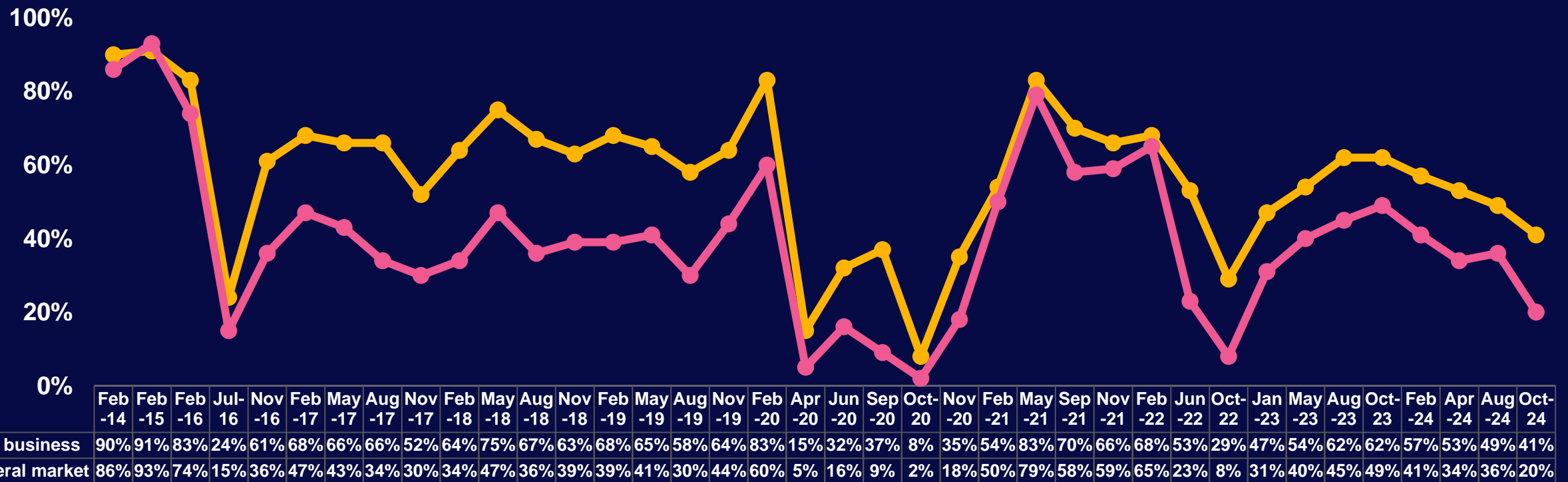
**6,100 sites**

Among the Business Leaders sample:

- 50% are at CEO / MD level
- 30% at Director or Board level
- 20% in other Senior Management positions

# Surveyed prior to the Autumn Budget, Business Confidence – both in the market and operators' own venues – was at a low not seen since Oct-22's inflationary peak

Business leader optimism in the **general market** and in **own business** (over the next 12 months)



**Jun-16**  
Brexit referendum

**Apr-20**  
First COVID lockdown

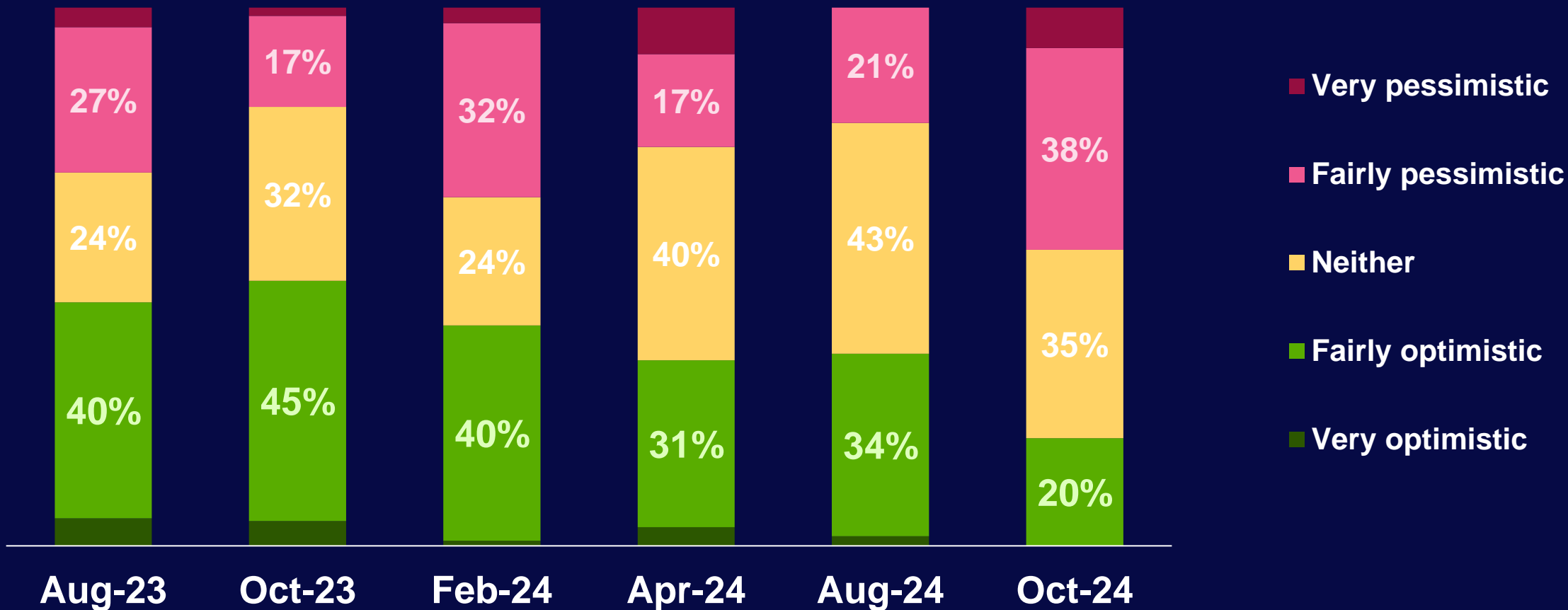
**Oct-20**  
Lockdown reintroduced

**Oct-22**  
Inflation at a 40-year high

**Jul-24**  
Labour Gov

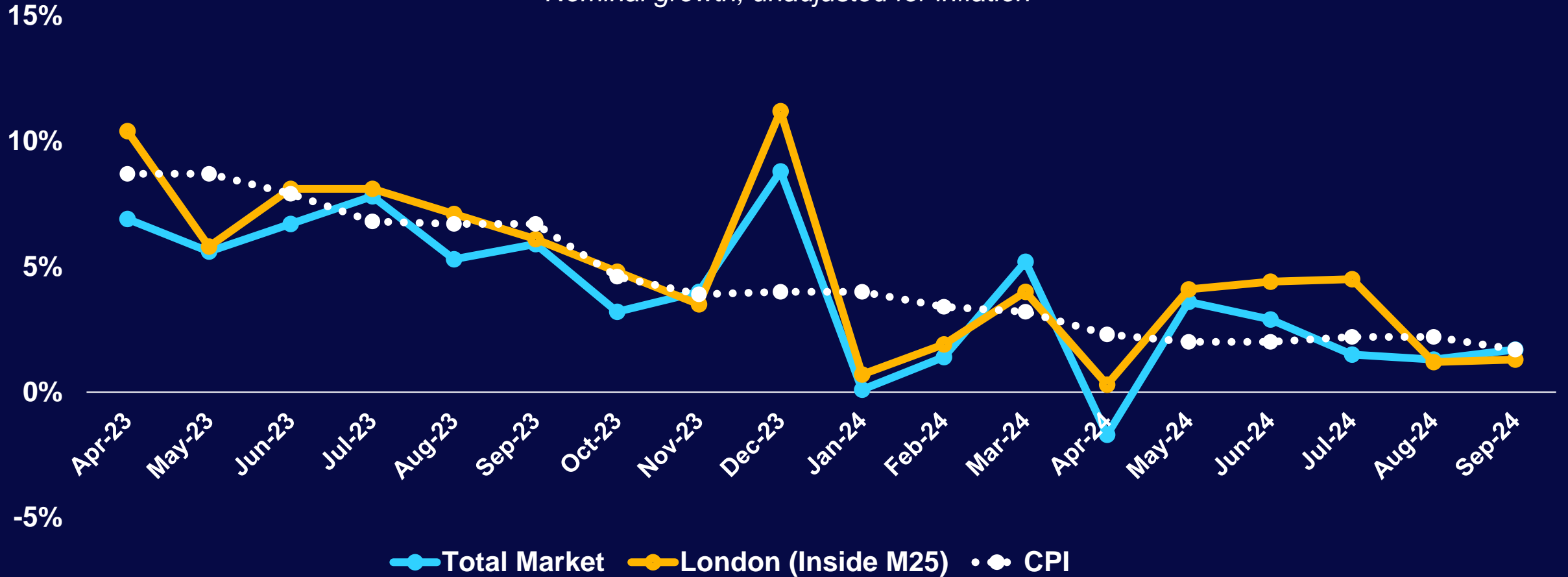
# Almost half (45%) of Business Leaders reported pessimism in the market's prospects for the next year, and none reported being very optimistic

Business leader optimism in the general market



# While the managed market has continued to drive growth, yields have diminished over the past year, in a battle to drive sales values above inflation

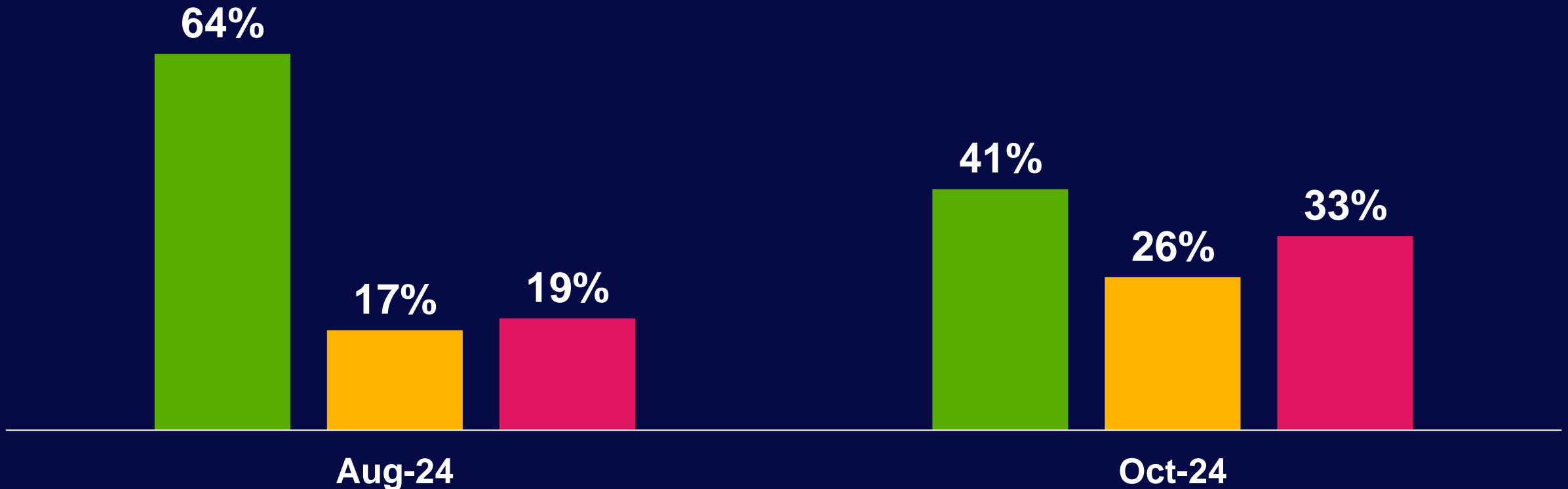
Year-on-year, like-for-like food and drink sales growth  
Nominal growth, unadjusted for inflation



# Since last quarter, the net number of operators seeing growing versus declining revenues has shrunk from 45pp to only 8pp

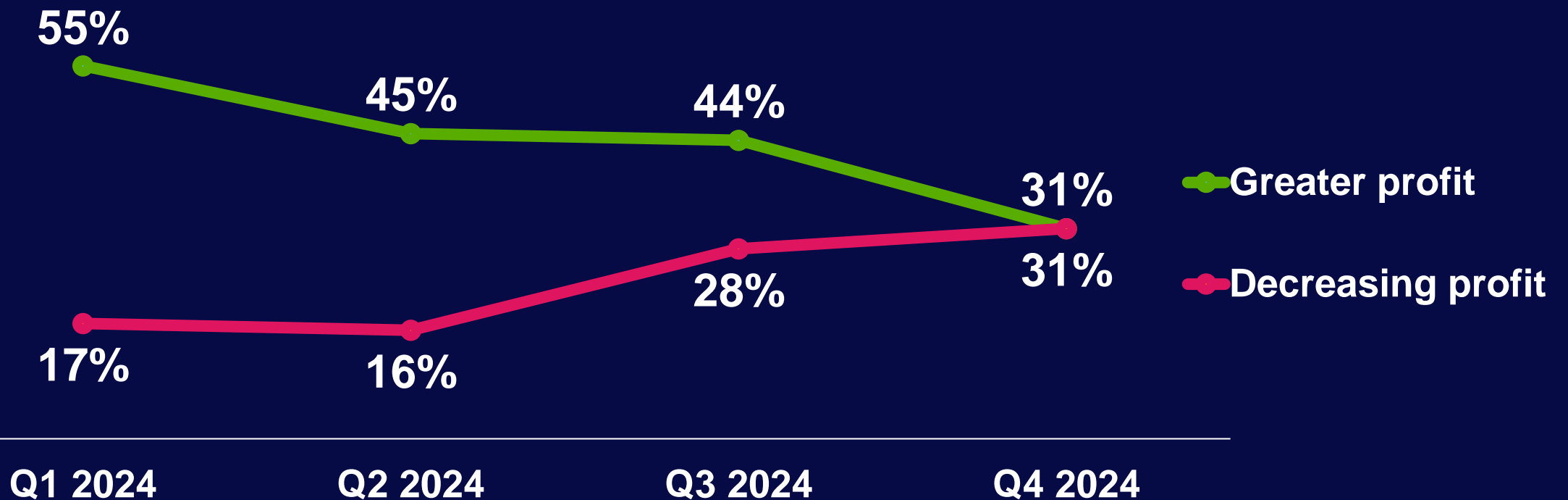
How would you describe your business's **REVENUE** performance over the quarter, compared to the same time last year?

■ Increased revenue   ■ Revenue unchanged   ■ Decreased revenue



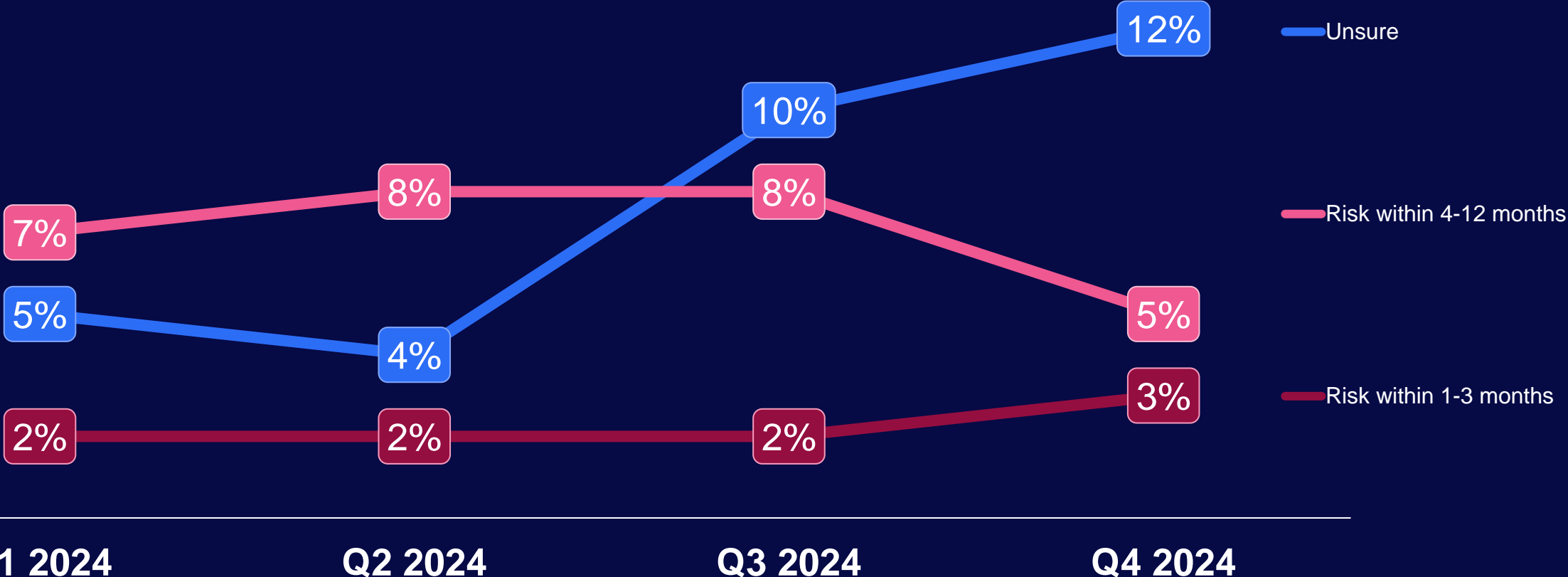
# Following the trend of revenue decline and growing costs, there are now as many Business Leaders reporting profit growth as there are seeing profit decline

How would you describe your business's **PROFIT** performance over the quarter, compared to the same time last year?



This does not mean all businesses are free from the risk of failure in the close future though, and many more (12%) were unable to predict business fortunes in October, with Budget announcements imminent

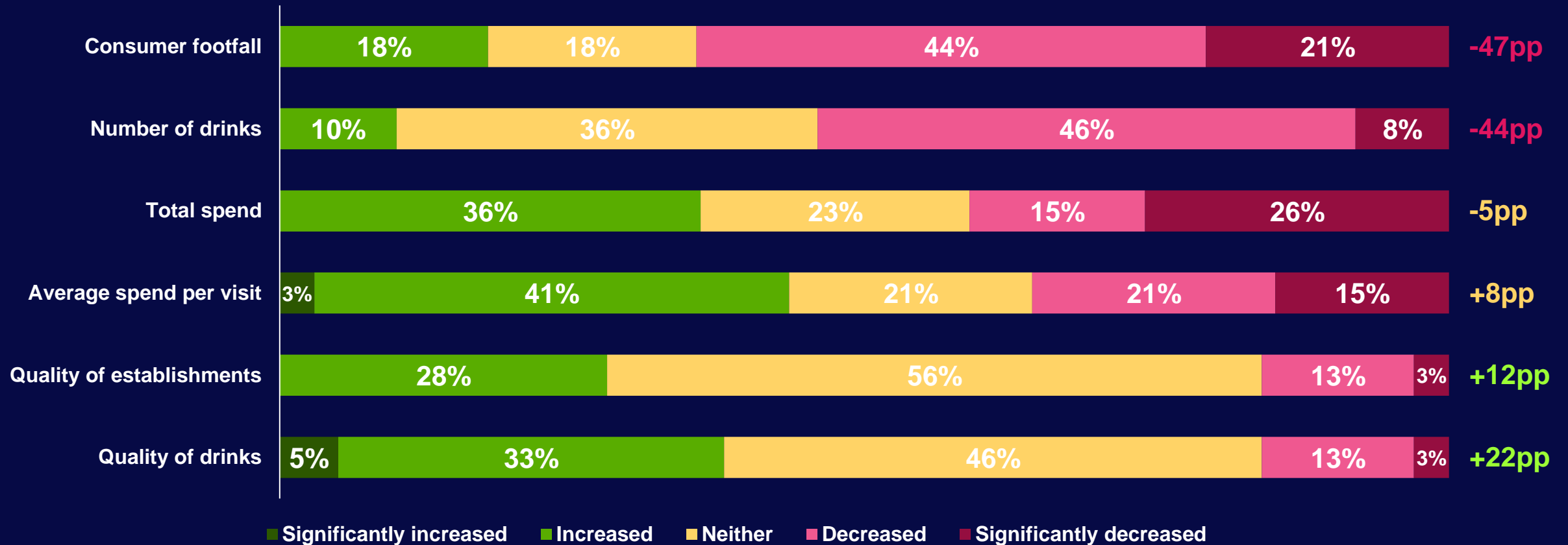
Is your business at risk of failing in the next year?





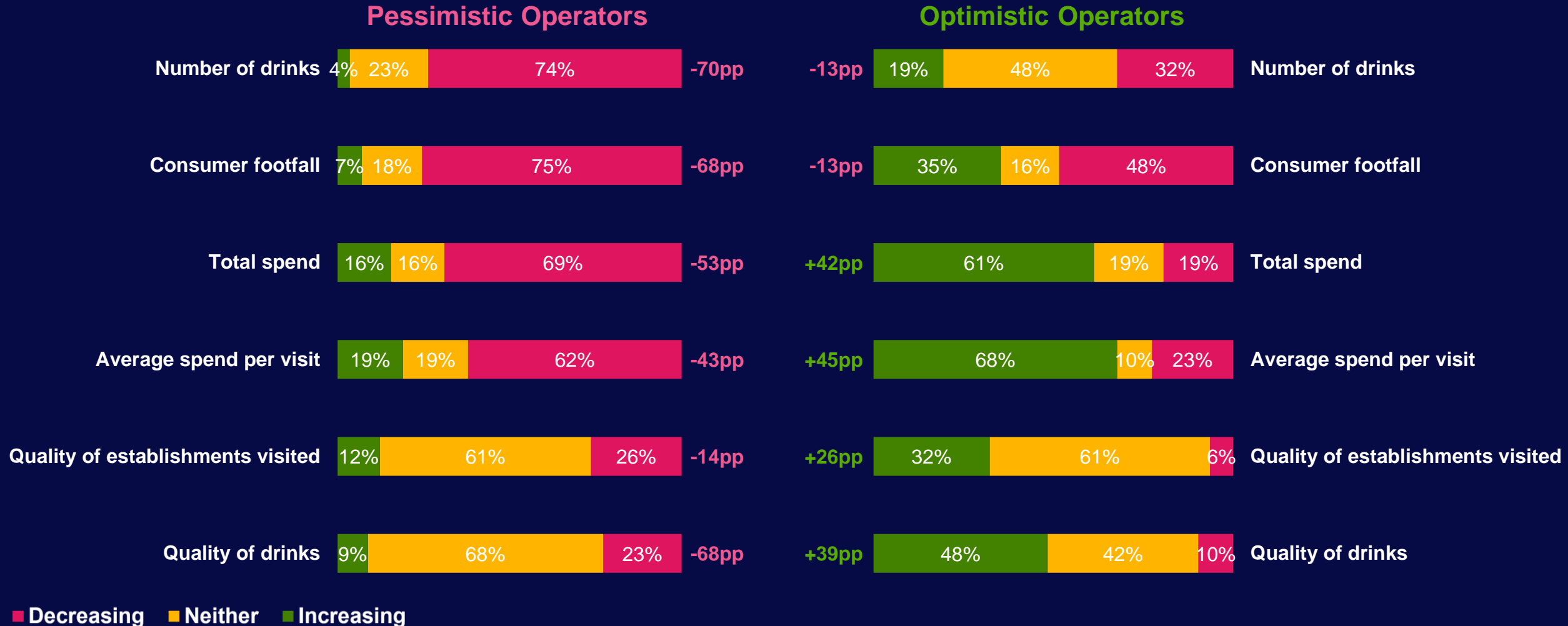
# While at a net level consumers continue to protect quality and cut footfall and decline, spend is becoming increasingly polarised, with most consumers either cutting back or spending more

Which of the following consumer behaviours have you seen increase or decrease compared to this time last year?



# Asymmetry in the market is clear when dividing between optimistic and pessimistic operators, with those pessimistic reporting far larger net declines in the consumer behaviours measured

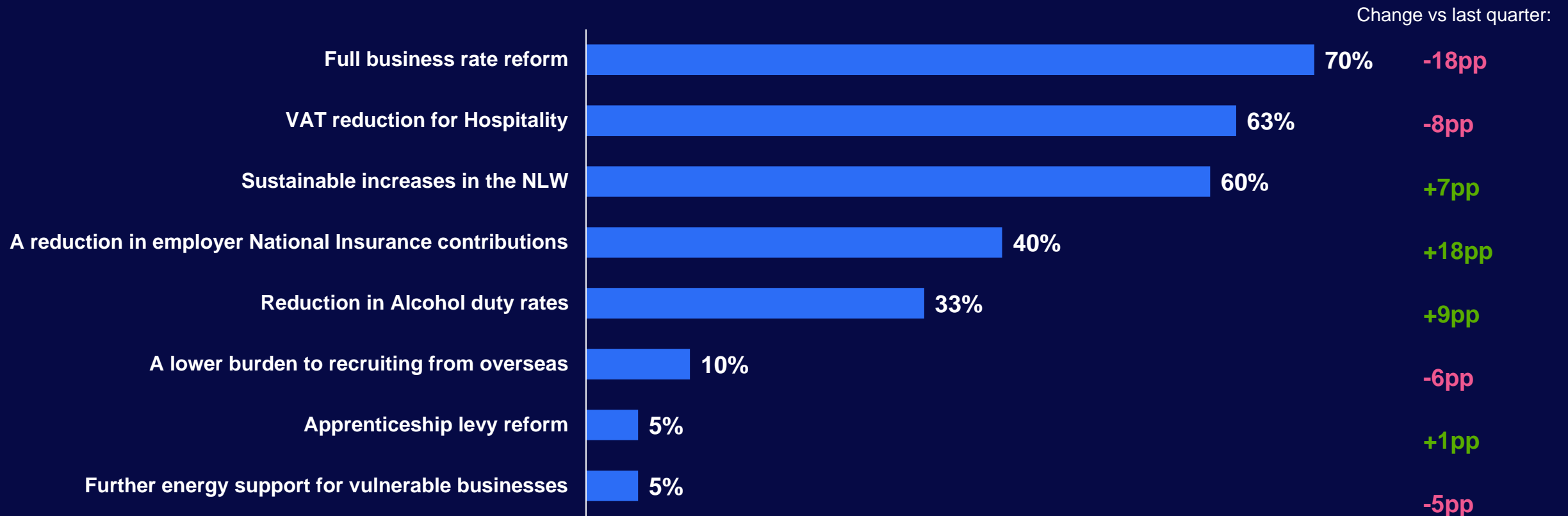
Which of the following consumer behaviours have you seen increase or decrease compared to this time last year? [Operators of all size included]



# Government Policy and Support

**Pre-Budget, full Business Rate reform was the top demand of the industry; now announced as coming in April 2026-27. The NLW, National Insurance (NI) significantly rose in prominence too, but changes to minimum wage rates and employer NI will see business costs significantly increase from April 2025**

Of the future Government support that could allow your business to grow, select up to 3 answers that are the most important:





97%

of Business Leaders  
would be affected by  
the removal of  
Business Rates relief

With Rates relief confirmed to continue at a reduced 40%, it remains to be seen whether sites will close at the levels projected by Business Leaders pre-Budget

31%

of Business Leaders report that without the **continuation of Business Rates** relief, they would have to **close sites**

This equates to

7%

of the estates of affected operators,

Or,

2%

of the total managed market

# Contacts us

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



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