

KNOW THE LONDON SCENE HOW DOES IT DIFFER FROM DAY TO NIGHT?



The wealth of choice and occasion makes London one of the most complex markets for food and beverage operators to understand. What proves to be the real challenge is understanding both the occasionality; – the reason for them to engage with the offer – and our London consumers' interaction with the capital – why they are in a particular part of town, at a particular time of day.

If this wasn't enough, London and the food and beverage areas continue to evolve at an astounding rate with new operators, concepts, dining and night-time hubs appearing all over the city, acting as a catalyst for gentrification and change. This is exacerbated by the 400,000 square metres of new development space coming to London in the next 5 years and an optimum 25% being identified by developers for food and beverage use. This means competition will become even more fierce – not just for sites, but for the all-important share of our London consumer's spend.

Indeed, such competition has seen some brands being practically priced out of London by the required rents and premiums demanded, with the likes of Five Guys and others paying sums which only a few short years ago would have been unheard of. While great success can be found in the capital, more so than ever this is being reflected in the costs to trade there and therefore the associated risks of not achieving the weekly turnover for operators to achieve their necessary margin.

CONSUMERS BY DAY AND NIGHT

The key to unlocking the London market is to understand not just who our London consumers are, but how they interact with the market through the morning to last thing at night.

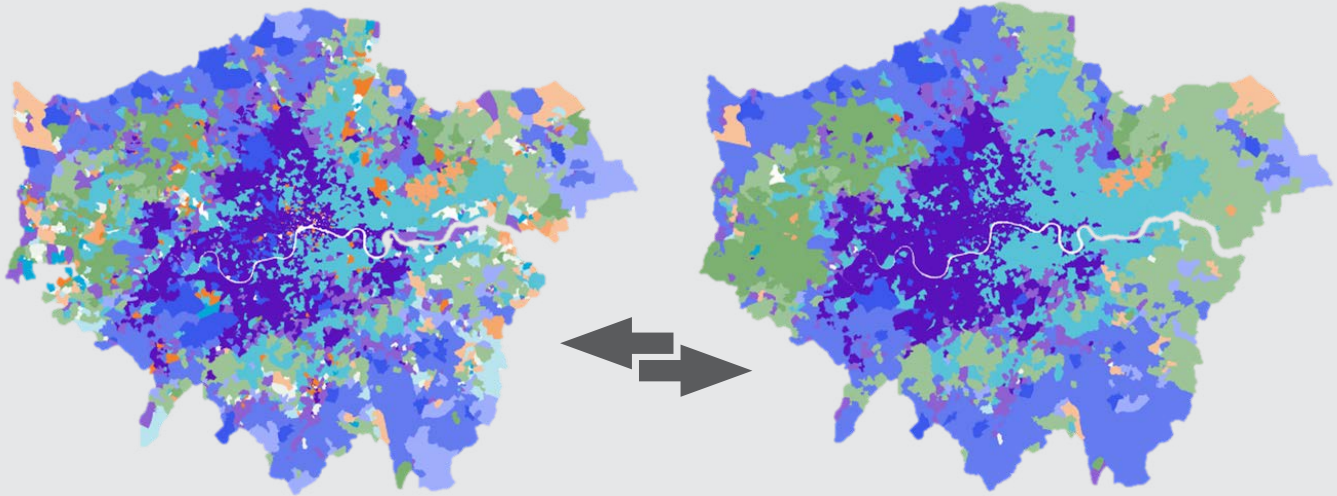
There are over 8 million residents and 4 million workers in London, with a massive 750 thousand workers travelling from outside the existing reaches of the tube network. With commuters travelling from as far afield as the Scottish borders to work in the capital, the demographic shift seen throughout the day and night is significant.

Our key London consumers, whether residents or workers, fall into one of three distinct groups: Executive Wealth, City Sophisticates and Struggling Estates. They all interact differently with our capital.

By tracking our residential London demographic consumer groups through the transport network we can see where the London worker demographics are located in the day time.

RESIDENTIAL POPULATION OF LONDON

WORKER POPULATION OF LONDON



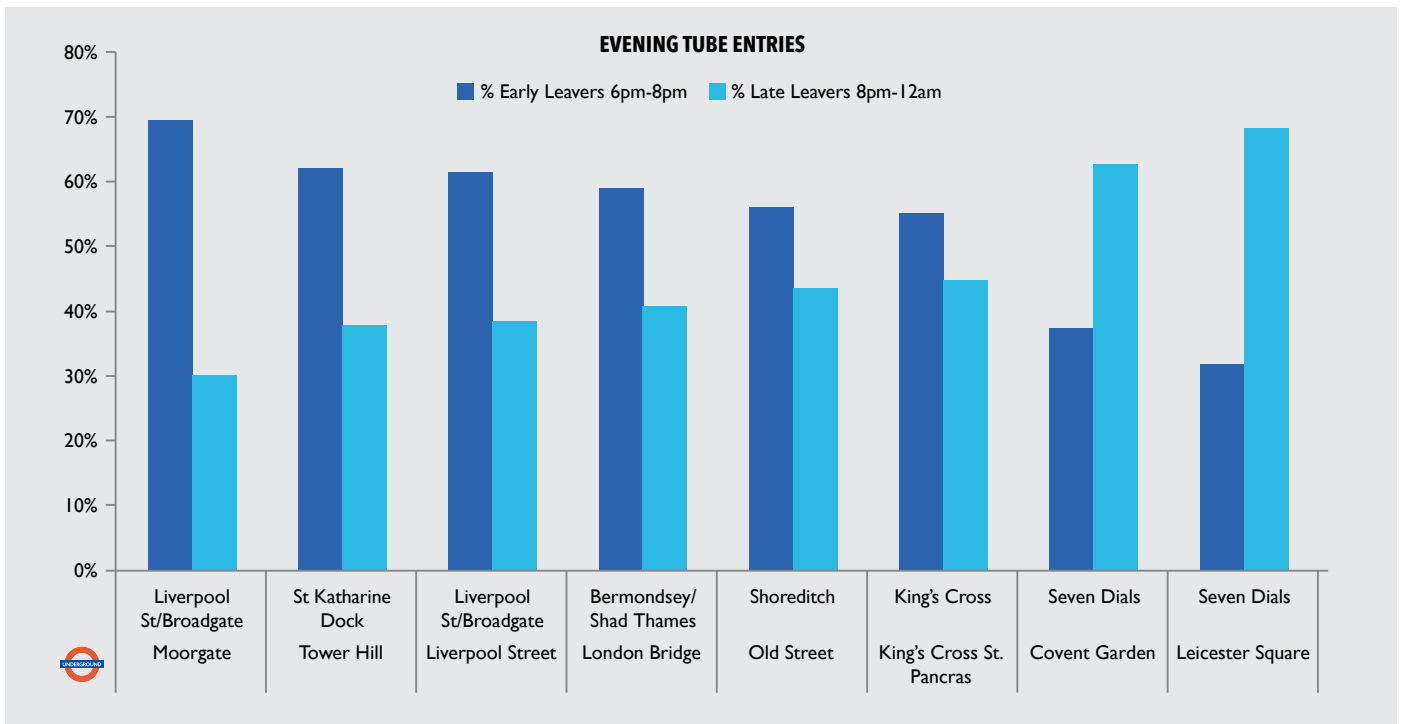
Acorn Groups

■ Lavish Lifestyles	■ Countryside Communities	■ Student Life	■ Young Hardship
■ Executive Wealth	■ Successful Suburbs	■ Modest Means	■ Struggling Estates
■ Mature Money	■ Steady Neighbourhoods	■ Striving Families	■ Difficult Circumstances
■ City Sophisticates	■ Comfortable Seniors	■ Poorer Pensioners	
■ Career Climbers	■ Starting Out		

What we see is a fundamental shift in our polarised residential Londoner compared to our workers. The worker demographic is much more consistent with a clear west-east divide between our City Sophisticates and Struggling Estates, with our Executive Wealth and other affluent and aspiring families located in zones away from inner London.

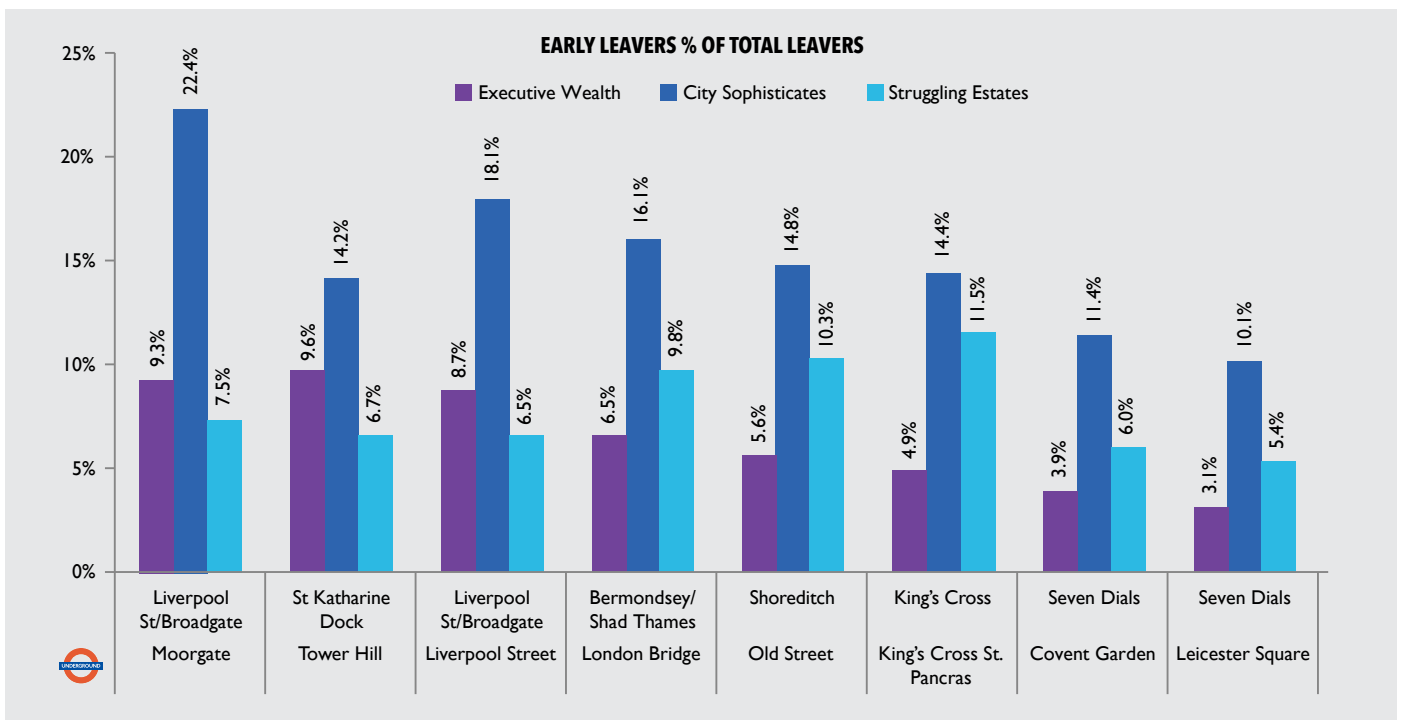
More detailed research shows the West End having a majority of City Sophisticates, with pockets of our Struggling Estates working in the retail and service-based economy. However, the City of London demonstrates an even higher proportion of City Sophisticates and Executive Wealth demographics in the daytime. Such worker-based research and knowledge is essential for the London food and beverage operators who rely on workers as a key driver of success and lunchtime trade, including the ever important grab 'n' go market.

It is also fundamental for operators to understand the potential of evening and night-time locations in terms of the demographics of those leaving post-work and those staying, as well as the potential of residents returning – all of which will dictate the function, occasion and offer of the operators within this market.



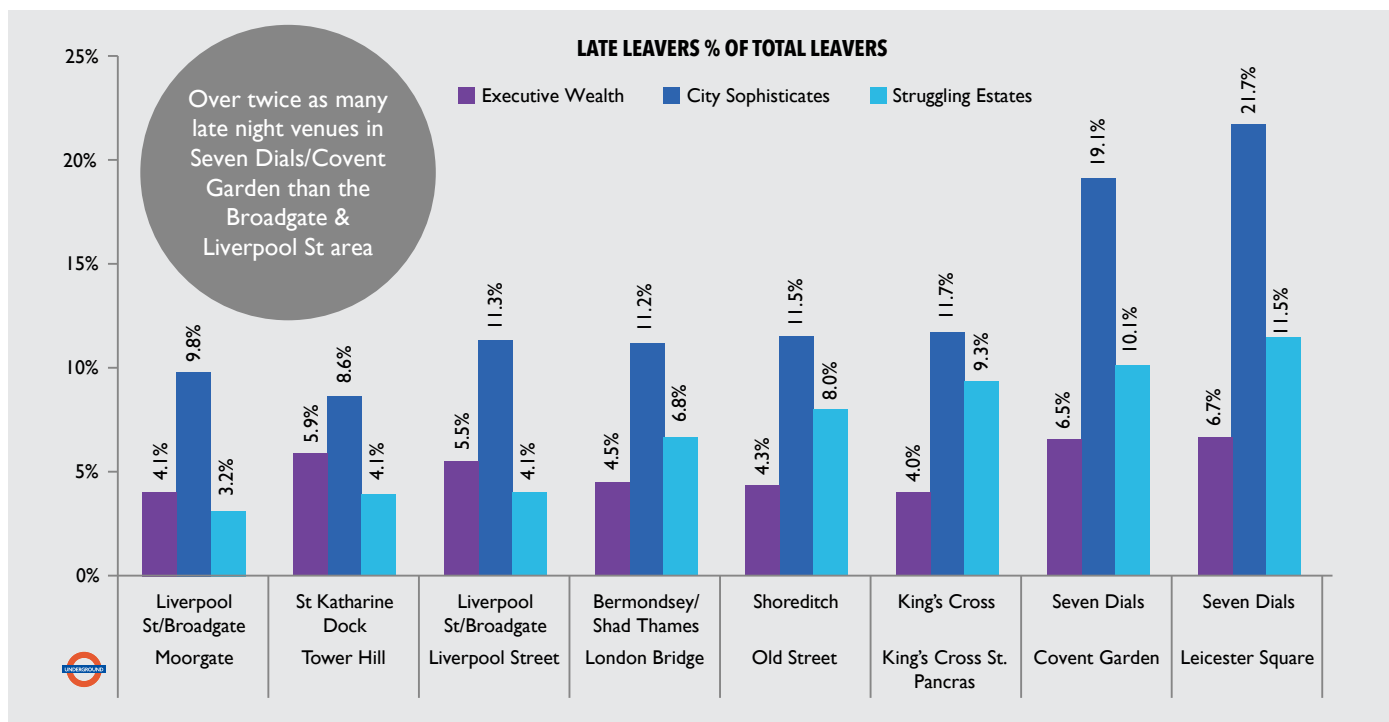
If we explore this in more detail and split this down to the tube stations servicing some key food and beverage areas of the capital, with percentage of early vs late leavers, we can see that there is clear split between the areas in terms of those leaving straight after work and those engaging with the night-time economy. City locations of Broadgate and Liverpool St, with fewer residents and more workers, seeing the highest early leavers, verses our Seven Dials area of Covent Garden and Leicester Square seeing the latest leavers.

One may assume that these early leavers would be driven by our Executive Wealth group as these London consumers predominately live outside the capital and commute in. These consumers are older, have less of a propensity to go out post-work and have much further to travel.



However, when we use Workforce Acorn to apply our demographic research to these early and late entries, we can see that, in fact, a surprisingly large proportion of those leaving the capital early are from the City Sophisticates group – those with the highest propensity to use the night-time economy and have the money to spend.

Our West End locations see a much higher proportion staying out and the configuration supports this assessment. When we take the time to review the night-time provision of each of the areas we can see more than double the amount of, what we would call, 'late night venues' in the Seven Dials/Covent Garden area, therefore showing that a further night-time economy opportunity exists within the Liverpool St and Broadgate area that is currently not being realised.



We have demonstrated here two key requirements for those trading or entering the London market; the need to understand who the London consumer is, and ultimately how they interact with the market, will support you in identifying not only untapped or underserved areas of potential, but also in determining if the premiums and rents are sustainable for your business model. Understanding the unique London consumer and their change throughout the day and night is essential to meet the challenges of our competitive and ever-changing capital.



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