



Market Report

A Snapshot of your Market Sector

Pubs and Clubs

This pack has been designed to provide information on setting up a business in the **Pubs and Clubs** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **October 2024**.

What do I need to know about the Pubs and Clubs market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Over the five years **through 2024-25, Pubs & Bars revenue is expected to edge upwards at compound annual rate of 2.2%**. Falling alcohol consumption and eroding incomes for consumers along with staffing shortages, rising wage bills and business rates have resulted in a challenging time for businesses in this industry. Consumers increasingly seek value for money from their food and beverages and high-quality experiences. With a drop in alcohol consumption and a rise in lifestyle changes like veganism, menus must adjust menus to feature a larger range of non-alcoholic beverages to draw in consumption. (IBISWorld, *Pubs and Bars in the UK*, October 2024).
- ◆ Over the five years through 2024-25, the nightclub industry's **revenue is expected to fall at a compound annual rate of 14.2% to £764.4 million**, including a **5.1% drop in 2024-25**. Following COVID-19, rapid inflation led to consumers, especially younger demographics, becoming more budget-conscious, resulting in decreased spending on nightlife activities or avoiding clubbing altogether. The combined impact of COVID-19 and the cost-of-living crisis severely weighed on the performance of nightclubs. (IBISWorld, *Nightclubs in the UK*, September 2024).
- ◆ The pub and bar industry experienced huge implications because of the COVID-19 pandemic, due to various lockdowns and extensive restrictions. However, the market has bounced back through the last couple of years despite ongoing headwinds from inflationary pressures and soaring energy prices. The market is expected to reach its highest ever value in 2023, driven by increasing prices for food and drinks, as well as participation in going to the pub for drinks increasing by 7 percentage points year-on-year in the month to October 2023, (Intel, *Pub Visiting - UK*, December 2023).
- ◆ The UK Night-time Cultural Economy was worth £33.3bn in 2022, up from £23.8bn in 2021, but down from £37.2bn in 2019, indicating a 36% reduction in absolute terms. The closure of underground clubs, grassroots music venues, and arts centres reflects the significant decline in the cultural economy. (Night Time Industries Association, [Night Time Economy Report 2024](#))
- ◆ The national organisation for this industry is the [Scottish Beer and Pub Association](#). Other industry bodies include the [Scottish Licensed Trade Association](#), the [Night Time Industries Association](#), the [British Beer and Pub Association](#), [Scotland Food and Drink](#), [UK Hospitality](#) and the [Campaign for Real Ale \(CAMRA\)](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld - Pubs & Bars in the UK (October 2024)**. Declining off-trade prices will result in a growing number of customers buying alcohol from supermarkets for at-home consumption. However, the number of gastropubs and cocktail bars offering high-quality cocktails and healthy food options is expected to gain traction and ground from other hospitality establishments. Aesthetically pleasing décors and drinks alongside a unique artisanal and artistic atmosphere will be central in gaining patrons' attention – particularly as solo dining and the 'dating yourself' trend is here to stay.
- ◆ **IBISWorld - Nightclubs in the UK (September 2024)**. Industry revenue is forecast to dip at a compound annual rate of 0.2% over the five years through 2029-30 to £756.5 million. Nightclubs will continue to face significant challenges due to elevated rent, energy and labour costs. These increases are driven by inflationary pressures and labour shortages in the hospitality sector, pushing up costs. Clubs will face pressure to attract younger patrons by diversifying their offerings beyond drinks. This includes providing a wide range of non-alcoholic beverages and cocktails, restaurant-quality food with healthy menu options and engaging activities.
- ◆ **Mintel – Pub Visiting – UK (December 2023)**. Mintel's research consistently shows that younger consumers are growing up more sober curious compared to their older counterparts. This is supported by data showing that nearly two thirds of those aged 65+ exclusively drink alcoholic drinks at pubs/bars, compared to just one third of those aged 18-24. Pubs and bars need to ensure they are stocking a wide range of non-alcoholic drink options for tee-total and sober curious pub goers, to ensure they remain innovative and exciting for consumers who do not want to drink alcohol on every pub visit.

There are also a number of online resources you may find helpful:

- ◆ **[DRAM](#)**. This website has news updates on Scottish hospitality in addition to interviews with those working industry.
- ◆ **[Scottish Licensed Trade News](#)**. This website has news and features on the hospitality industry across Scotland.
- ◆ **[Night Time Industries Association](#)**. This organisation aims to promote an understanding of the benefits that the Night-Time Industry brings to the UK and beyond. The website includes information on their campaigns, state of the industry reports and other relevant research.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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