

CGA BUSINESS CONFIDENCE SURVEY Q3 2021

In partnership with Fourth



CGA BUSINESS CONFIDENCE SURVEY Q3 2021 IN ASSOCIATION WITH
FOURTH

METHODOLOGY

The Q3 2021 CGA Business Confidence Survey, in association with Fourth, pulls data and insight from across CGA's research suite, but is predominantly based on leader research undertaken between 4th - 13th September.

With...

56% CEO
/ MD

32% Chairman &
board level

12% Other senior
management



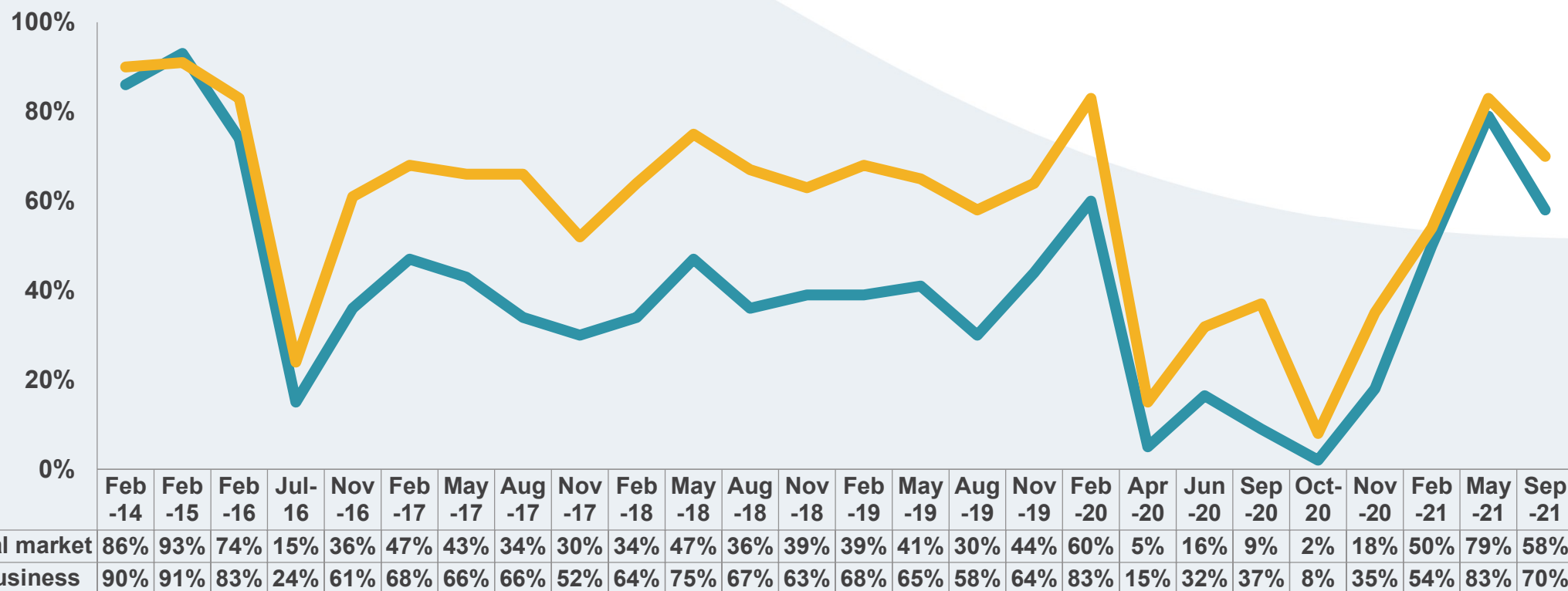


OPTIMISM & PERFORMANCE

Business leader confidence remains higher than throughout most of the pandemic, albeit falling since May when confidence was inflated by the recent reopening



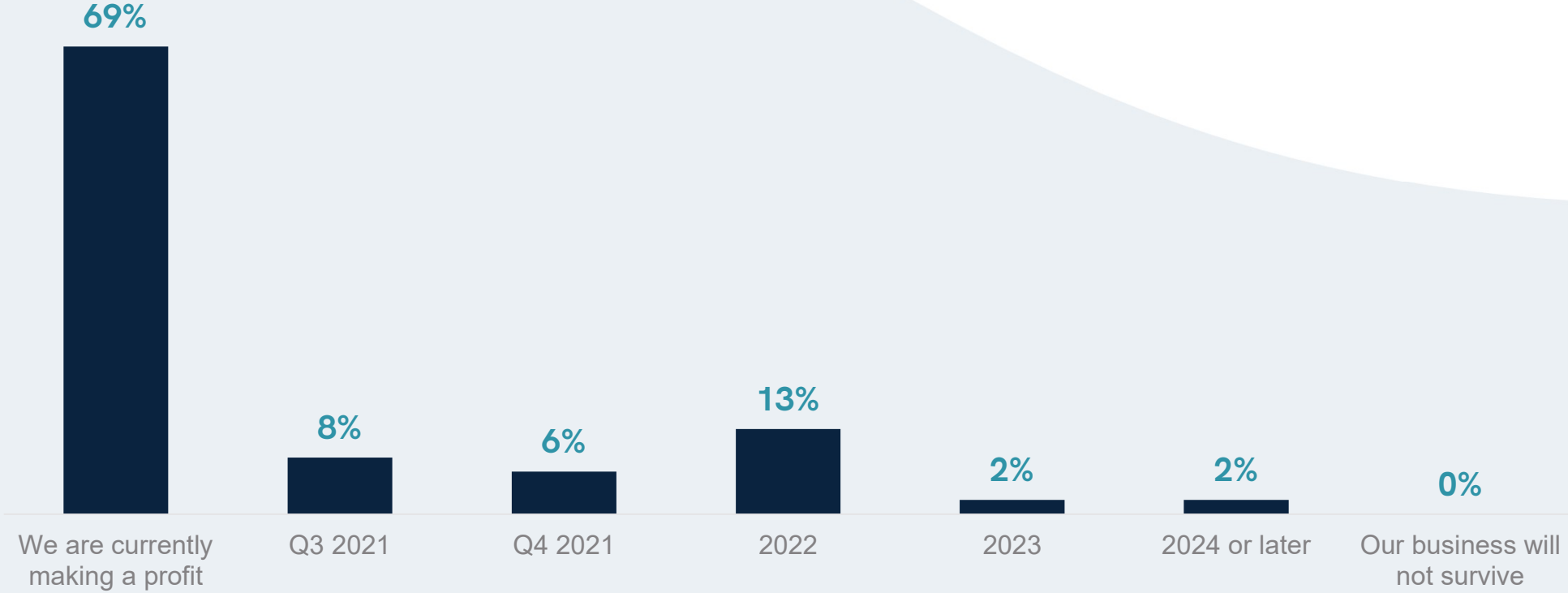
Business leader confidence across the market and in own business



The number of businesses currently turning a profit has risen considerably, reaching 69% (vs 16% in Q2 2021)



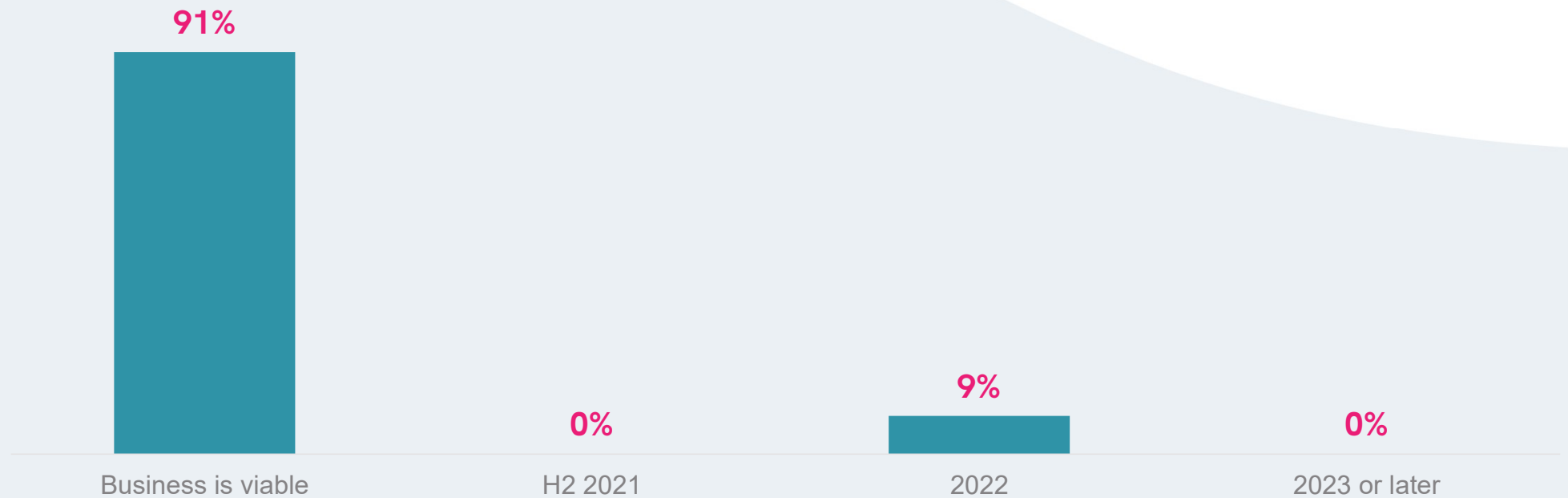
With current and anticipated trading, when do you believe that your business will return to profit, if at all?



9 in 10 businesses state their business is viable given current or anticipated trading



With current and anticipated trading, if/when do you think that your business will become unviable in the short-medium term?



Business performance is largely ahead of or in line with expectations since the full reopening



How would you rate your performance since reopening after freedom day, compared to your expectations?



Ahead of expectations

39%



In line with expectations

38%



Below expectations

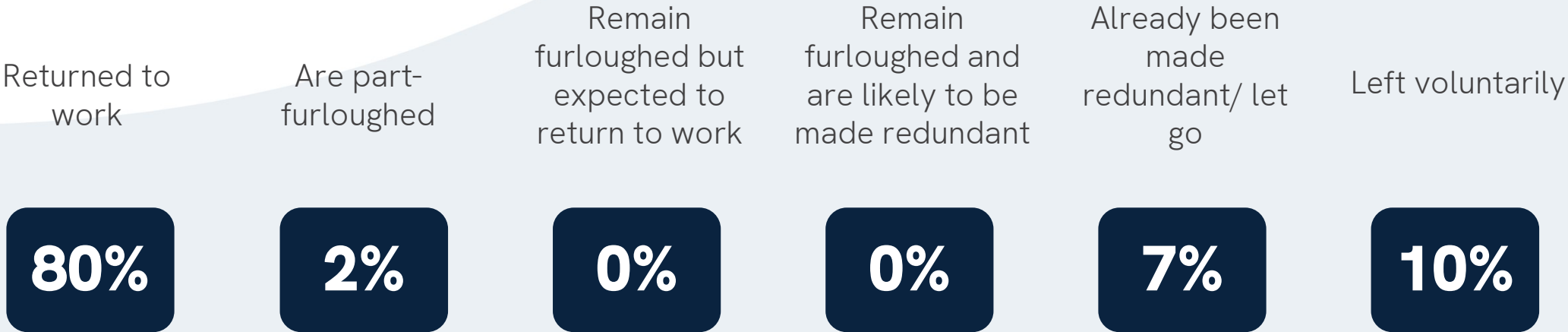
23%



STAFFING

4 in 5 staff have now returned to work, with just 2% remaining on furlough (down from 33% in Q2 2021)

Based on your February 2020 workforce, and as things stand now, what proportion have:



96%

Envisage likely staff shortages in either FOH or BOH roles at the end of 2021

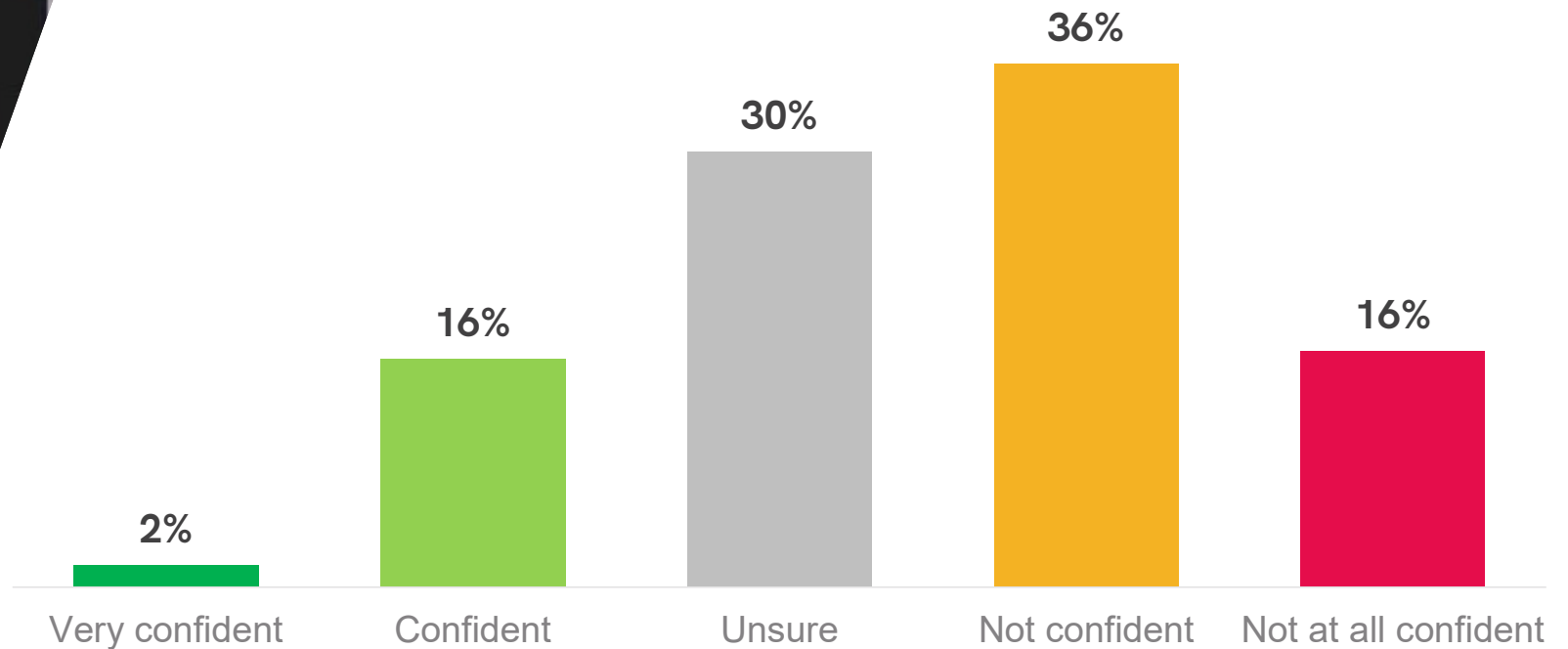
73% expect shortages across both BOH and FOH roles

16%

of staff roles are currently
vacant and open for application

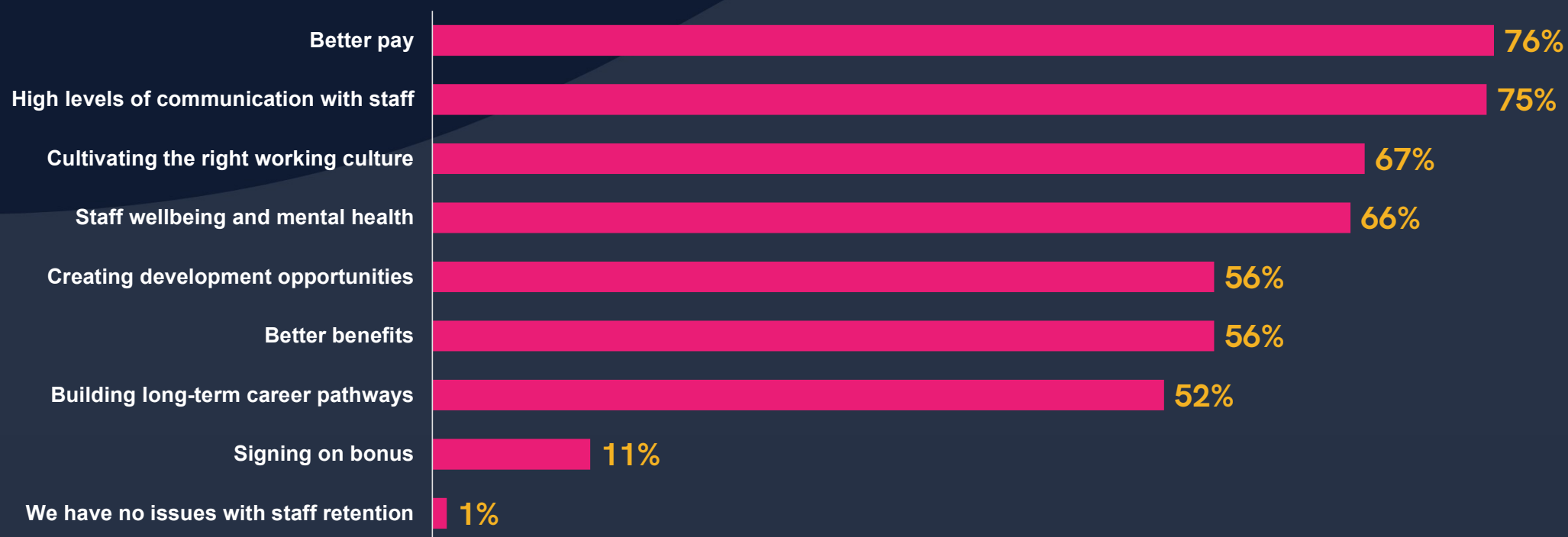
Just 1 in 6 businesses are confident in staff recruitment/retention, a steep drop since Q2 (was 67%)

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



3 in 4 businesses have offered better pay and high levels of communication to increase staff retention

How have you tried to increase staff retention since the current staffing shortage began?



BUSINESS PRIORITIES & CHALLENGES



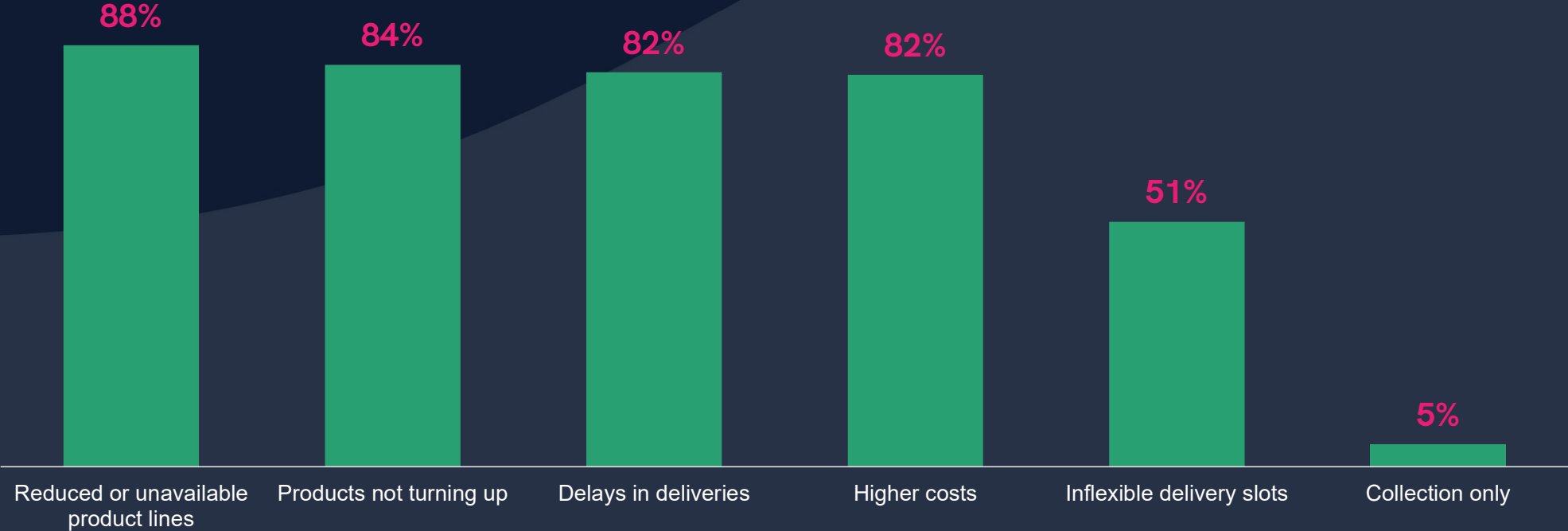
99%

of businesses are experiencing supply chain issues



Reduced product lines, products failing to turn up, delays in deliveries and higher costs are all issues impacting a large majority of businesses

Are you experiencing any of the following issues in your supply chain?



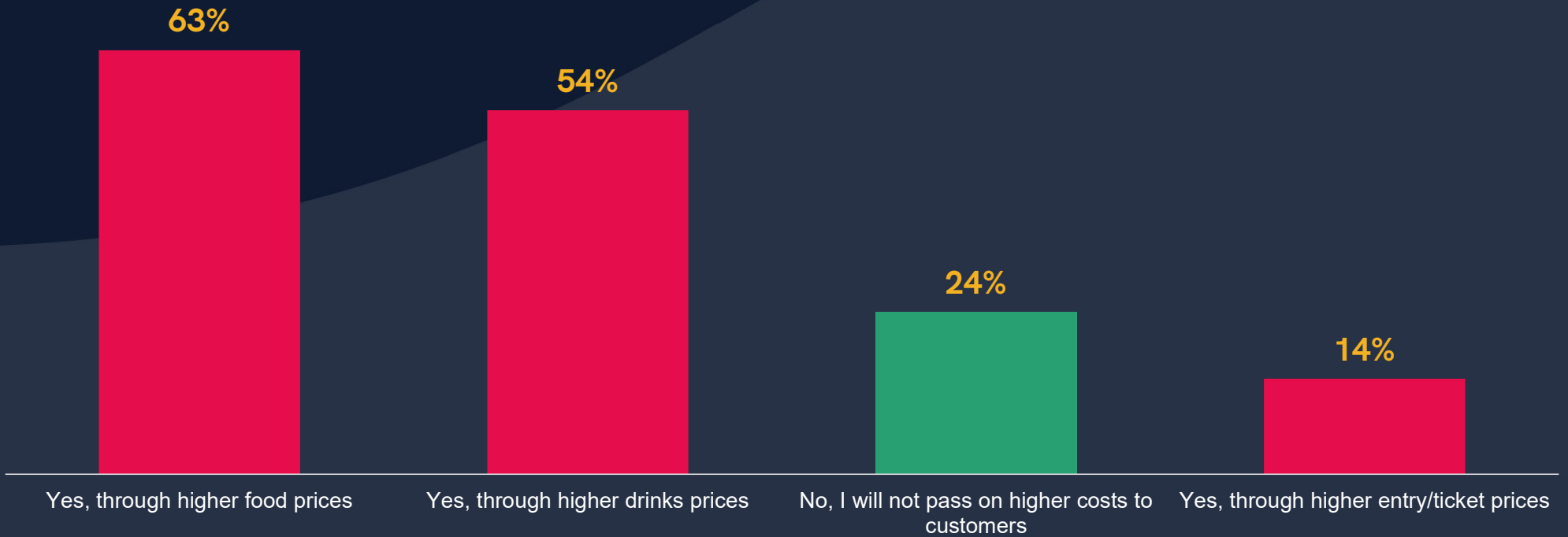
7 in 10 are seeing cost rises in food/drink and sub-contracted costs, with over half seeing a rise in the cost of doing business

Have you experienced cost rises in your supply chain?



3 in 4 businesses will have to pass these higher costs onto consumers through price rises

How will you pass higher costs onto consumers?



TECHNOLOGY

Technology has been useful to a full 94% of businesses since reopening, with 44% stating it's been fundamental

How important has technology been to your business since re-opening?

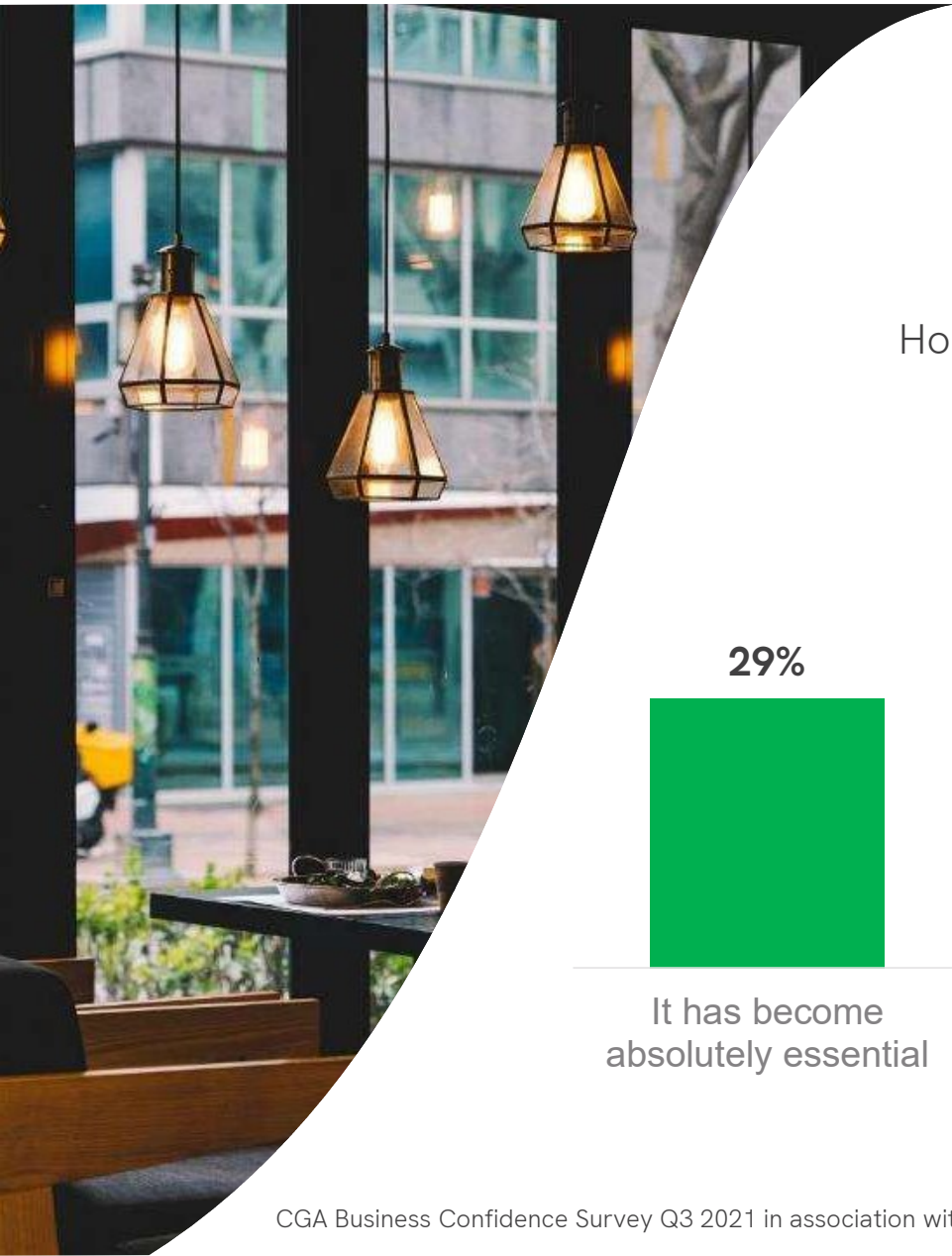
Fundamental

Helpful

Not helpful

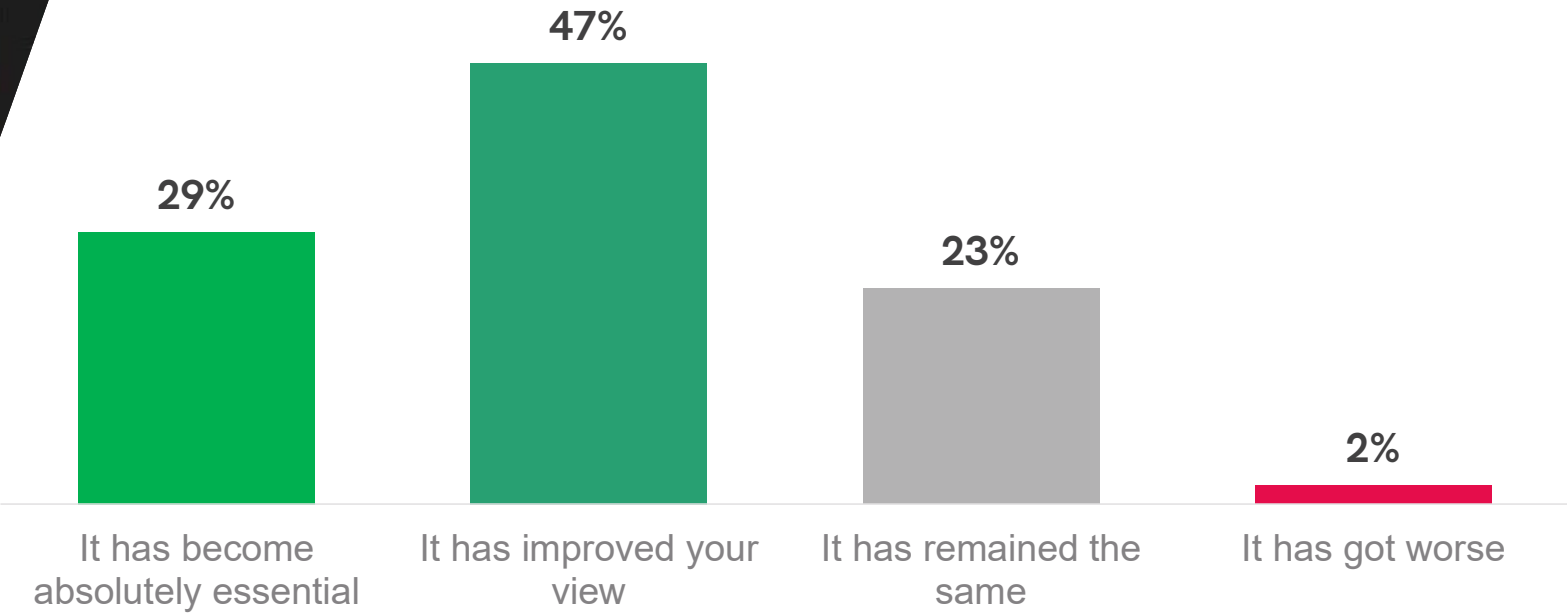
A hindrance





Almost 1 in 3 say tech has become essential to their business, with a further 47% having improved their view of technology

How has the pandemic changed your view on the benefits technology can bring to the industry?





2 in 3 are planning on using and implementing new technology more than before the pandemic

How much is your business planning on using and implementing new technology going forward?

65%

More than before the pandemic



34%

Same as before the pandemic

1%

Less than before the pandemic

Summary of... **CGA Business Confidence Survey Q3 2021 in association with Fourth**

Business leader confidence remains higher than throughout most of the pandemic, albeit falling since May when confidence was inflated by the recent reopening

- *The number of businesses currently turning a profit has risen considerably since Q2 2021*
- *Business performance is largely ahead of or in line with expectations since the full reopening*
- *96% envisage likely staff shortages in either FOH or BOH roles by the end of 2021, with 73% expecting shortages in both BOH & FOH*
- *3 in 4 businesses have offered better pay and high levels of communication to increase staff retention*
- *99% of businesses are experiencing supply chain issues, with 3 in 4 businesses planning to pass on higher costs to consumers through price rises*
- *9 in 10 businesses have found technology useful since re-opening, with 2 in 3 planning on using new technology more than before the pandemic*

Leaders state current performance is positive, however significant issues around staffing and supply chains present a major challenge to the sector

