CONSUMER SURVEY INSIGHTS

XMAS 22 OPPORTUNITIES

HGEM

Introduction

It looks like we're finally going to have a 'normal', restriction-free Christmas, and all the signs are pointing to it being the biggest one in years for hospitality.

But unfortunately, this Christmas comes with its own challenges, which is why we've sought to understand - what are the factors that influence choosing one venue over another; is the cost-of-living crisis having an effect on Xmas budgets? Will customers be returning in winter if they had a great experience over Christmas, and what offer would entice them back the most?

Find out all this, and more, in the report.

About HGEM

HGEM works closely with hospitality companies to measure and improve their guests' experience.

Their core services include mystery guest audits, building highly customisable feedback sites, online review management, measuring product ratings, and bringing all the data together into one, award-winning Guest Experience Management platform – **The Hub.**

TOPICS COVERED

- Are work-do's back?
- Xmas party demographics
- Top factors for choosing a Xmas venue
- Attitudes towards paying deposits
- Ordering channel preferences
- Festive Menu availability expectations
- Consumer spending expectations in hospitality: Jan / Feb 2023
- What encourages return visits in Jan / Feb 2023?

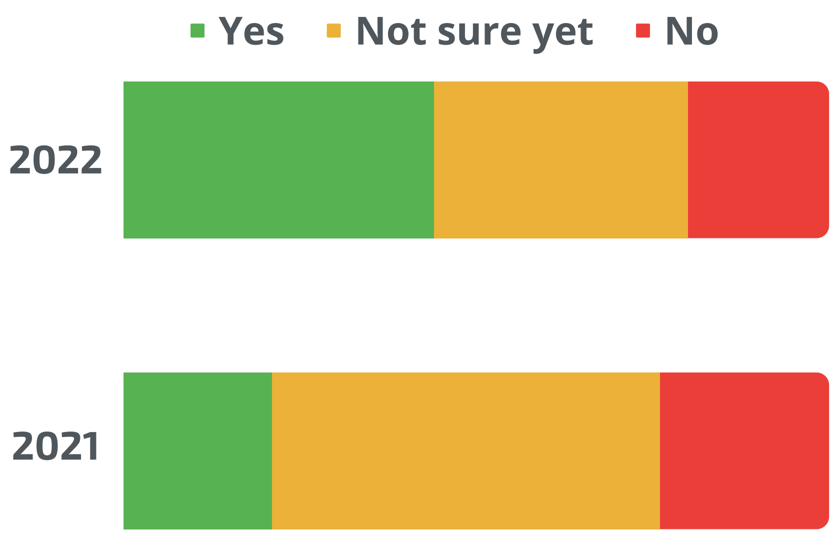
Are work-do's back on?

We've endured the pandemic, only to be hit by inflation, energy and cost-of-living crises. Are workplaces braving the storm and celebrating Xmas with work-do's this year?

As you'd expect, the picture is certainly rosier this year, in comparison to last. Nearly half (**44%**) of respondents are having a workplace Xmas party this year. Last year around the same time, that figure was only **21%**.

Surprisingly, over a third (**36%**) are still unsure, but this is a much lower percentage than same time last year, where that figure was over half (**55%**). The number of people definitely not having office Xmas parties has also reduced in comparison to last year: 1 in 5 (**20%**) aren't having work do's this year, whilst last year it was 1 in 4 (**24%**).

It's good to know that a third of workplaces haven't yet decided, so there are likely many more parties yet to be booked in.



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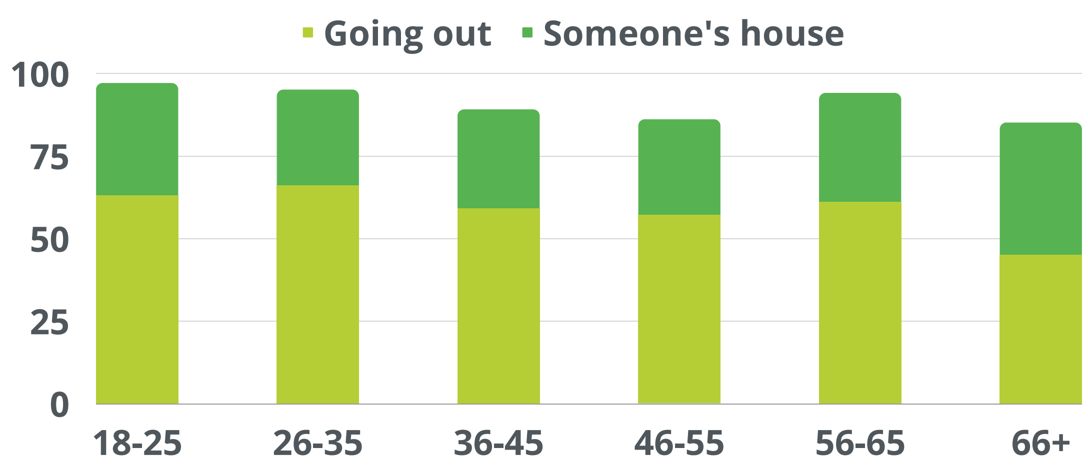
Celebrating Xmas with friends

3 out of 5 (**60%**) consumers will go out for dinner / drinks to celebrate Xmas with their friends, whereas 1 out of 3 (**31%**) will celebrate at someone's house.

From a demographic perspective, Millennials (26-35) are most eager (**66%**) to go out to celebrate Christmas, whereas, perhaps unsurprisingly, people over 66 are less likely to go out for a Xmas celebration with friends (**45%**) and more likely to spend it at someone's house (**40%**), than other age groups.



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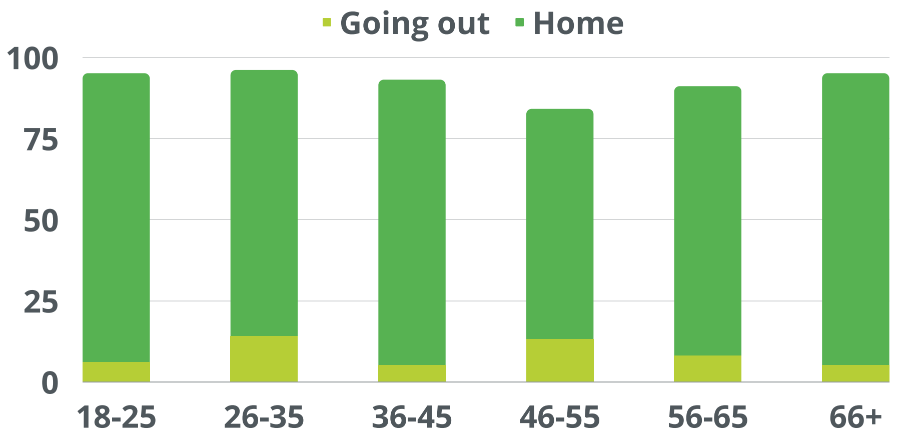
Celebrating Xmas with Family

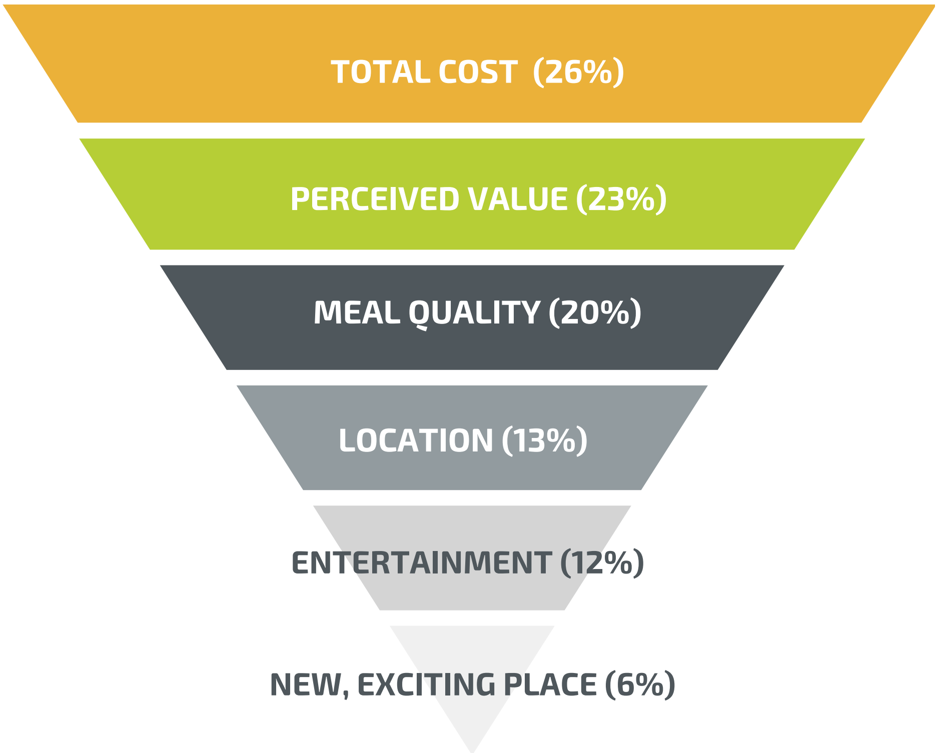
Most people (**82%**) will celebrate Xmas with family in a home setting. Only **10%** of consumers aim to celebrate Xmas with family by going out to for dinner / drinks.

From a demographic perspective, there are a few small spikes in the data, and 26-35 and 46–55-year-olds are more likely (**14%**) to go out for a Xmas celebration with family, than other age groups.



Top factors for choosing a venue

We wanted to uncover the key considerations that influence customers to choose one venue over another for their Xmas party. Here's the top factors for decision-making for Xmas 2022.



It's surprising to see that *total cost* of the party outweighs *perceived value* as the most important factor for decision-making. Based on our experience, consumers usually put value above cost. Extrapolating from our results - it's likely that some Xmas parties this year will have smaller budgets than usual and may opt for a cheaper venue or decrease spend.

Analysing demographics - the youngest and the eldest age groups are both driven mainly by *perceived value*, over *cost*. **37%** of Gen-Z and **40%** of people aged 66+ voted *perceived value* as their top factor.

According to the results, *total cost* has the biggest weighting for people aged 36-55, as **32%** selected it as their top factor. For the over 66's, *total cost* has barely any weighting at all, as only **5%** chose it as their top factor. 66+ consumers are interested instead in meal quality (**35%**) in addition to perceived value (**40%**), as mentioned previously.

Attitudes towards paying deposits

The data shows that putting down deposits for Xmas parties is becoming almost second nature to customers. 9 out of 10 (**88%**) consumers are happy to pay a deposit for a Xmas party. This figure is a big increase from **63%** in 2021, and even starker contrast to a survey we did on deposits in 2019, when only a third (**30%**) were happy to pay a deposit.

The responses across different demographics are pretty consistent, though two age groups stand out from the rest: only **82%** of people aged 26-35 or 56-65 are happy to pay a deposit for their Xmas party, whilst that figure is over **90%** for all other age groups. Interestingly, men are slightly less willing to pay a deposit (**84%**) than women (**89%**).

HAPPY TO PAY DEPOSITS

2022

HAPPY TO PAY DEPOSITS

2021

HAPPY TO PAY DEPOSITS

2019

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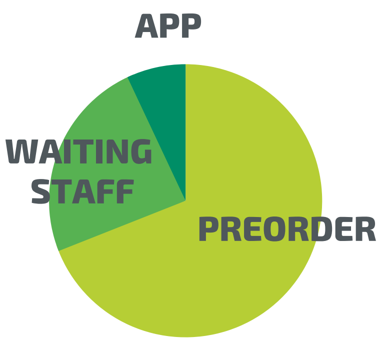
Ordering channels

Our survey shows that **69%** customers prefer to pre-order dishes for their Christmas experiences, and that figure has grown from last year (**67%**). 1 in 4 (**24%**), however, prefer to order from waiting staff, vs. **21%** last year. It appears that people might be losing interest in ordering via apps, now that Covid is no longer front-of-mind, as only **7%** this year would like to order via an app, vs. **12%** last year.



Conversely, among Gen-Z, ordering via apps for Xmas is gaining popularity - **26%** prefer ordering via app, whereas that figure was only **5%** last year. In all other age groups, there has been a decline in interest in ordering via an app for Xmas.

1 IN 4 GEN-Z PREFERS APP ORDERING FOR XMAS

Results of the data show that male respondents were quite keen on ordering via an app last year (**16%**), whereas that interest has dissipated as that figure is now only **5%**. As app ordering wasn't so prevalent with women last year (**10%**), the drop is less stark, as this year only **7%** of women want to order via app.

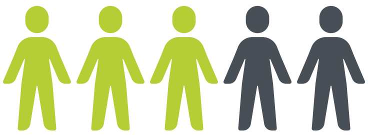
Expectations on Festive Menu availability

We asked consumers whether they'd expect Festive Menus to be available for pre-orders only, or if these should be available to order for walk-ins, and the opinions split almost in the middle: **46 / 54**, with the majority of customers expecting Festive Menus to be available for ordering on the night.

There was little variation in opinions between age groups, though, according to the results of the survey, Gen-Z are least likely to expect Festive Menus to be available for ordering on walk-ins (**51%**), and people aged 36-45 feel most strongly about being able to order festive menus on a walk-in (**58%**), in comparison to other age groups.

From a gender perspective, only half (**50%**) of the male respondents expect Festive Menus to be available for ordering on the day, whereas that expectation is slightly higher in women (**56%**).

EXPECT FESTIVE MENUS ON WALK-INS



PEOPLE AGED 36-45 EXPECT FESTIVE MENUS ON WALK-INS

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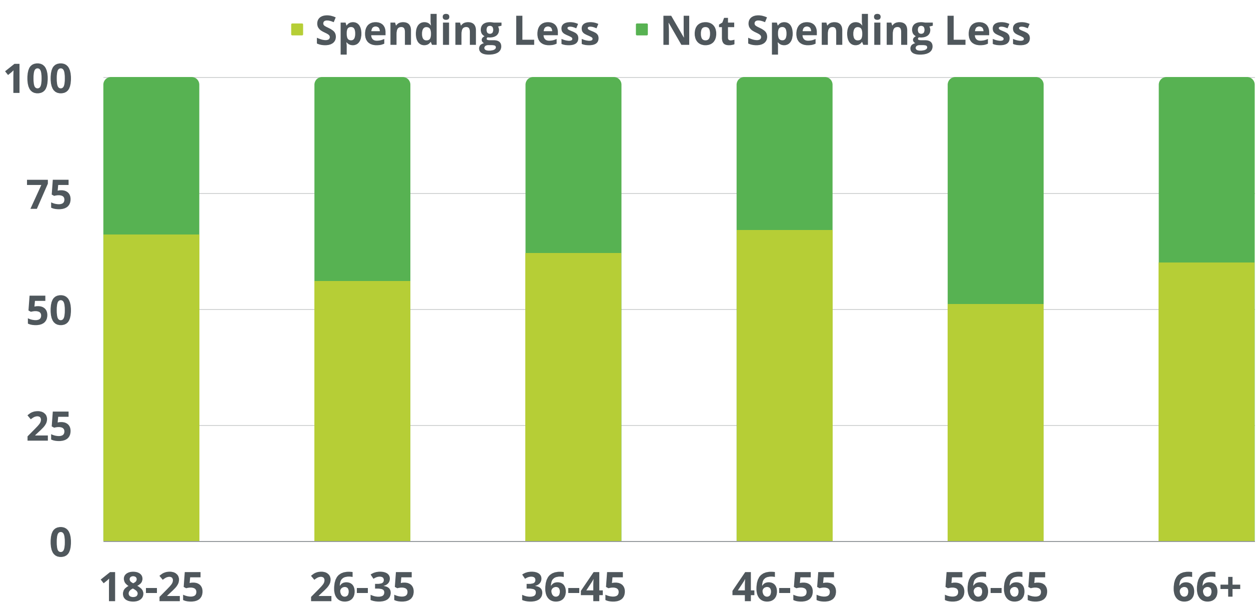
Consumer spending in Jan / Feb

The results of the survey show that 3 out of 5 (**60%**) intend to spend less on hospitality in winter.

Analysing data by age, the age groups most likely to be more frugal at winter are: 46-55 (**67%**) and Gen-Z (**66%**), whereas the age groups that are less likely to cut spending are 56-65 (**51%**) and Millennials (**56%**).

Men are planning to be more careful in spending over the winter months, rather than women, as **66%** have indicated they will be spending less, vs. **58%** women.



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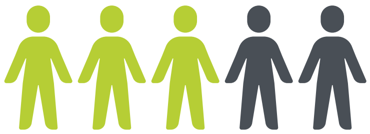
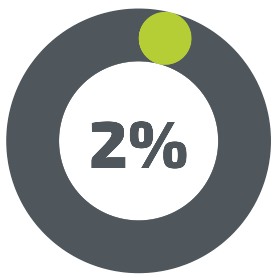
Influencing winter visits

So we know that **60%** of consumers are intending to spend less in January / February, therefore customers will be pickier in choosing where they go, if they go out. We wanted to know whether an excellent Xmas experience (party / dinner or drinks) would influence the likelihood of those guests returning during the winter months.

Indeed, our findings demonstrate that 3 out of 5 (**61%**) are likely or very likely to visit their Xmas venue again at winter, if they had a very good experience. In fact, only **2%** of respondents rule out returning altogether, therefore delivering excellent experiences looks to be powerful way to influence the rest of your winter trade.



LIKELY TO REVISIT XMAS VENUE AFTER A GOOD EXPERIENCE



RULE OUT RETURN VISITS AT WINTER

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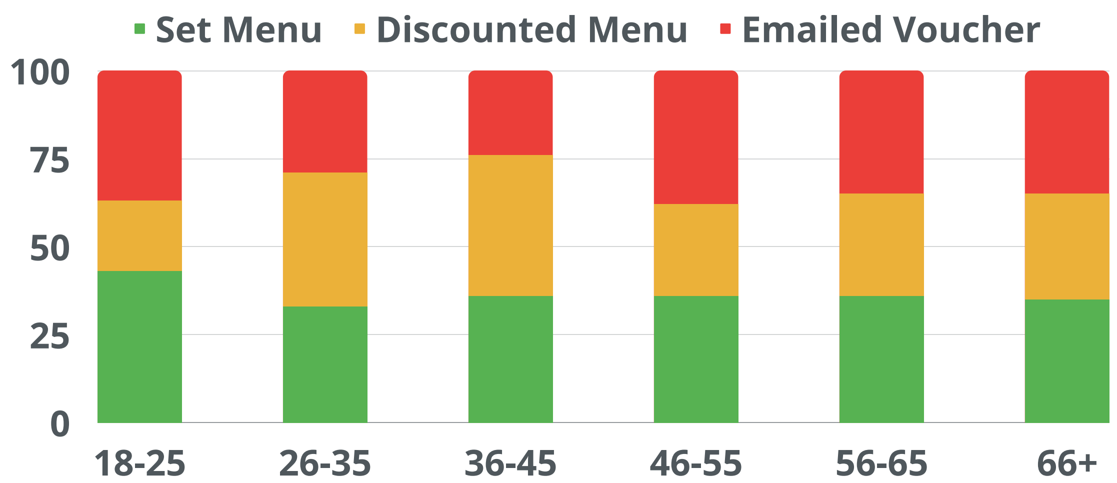
Enticing winter offers

From the results of the survey, we know there's a good chance to attract back customers who visited during Xmas, if they have a really good experience. We then dug deeper to find out what offers would entice consumers back the most: an affordable set menu, a voucher sent as a thank you by booking at Xmas, or a discounted menu.

Consumer opinions were split quite evenly: **36%** consumers prefer an affordable set menu; **33%** would like a discount on the menu and **32%** would like a voucher sent to them.

The demographic analysis is where it gets interesting: Gen-Z respondents are most likely to be interested in an affordable set menu (**43%**), and less likely to respond to a set menu (**20%**). Older millennials (36-45) are most likely interested in a whole menu discount (**40%**), and less likely to respond to a voucher sent to their email after a Xmas party (**24%**). From a gender perspective, women have no discernible preference – all options seem to be equally attractive. Men, however, are most interested in an affordable set menu offer (**44%**) and least interested in an emailed voucher (**26%**).



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SUMMARY

Workplaces are still in the process of booking their Xmas parties, and they might be looking to downgrade their usual venue, or reduce spending, due to budget restraints, as the top factor for deciding where they're going to is **total cost**, rather than **perceived value**, which based on our experience has been more important previously.

In addition to workplaces, friend groups are your likeliest Xmas bookers, rather than families.

There is a big opportunity to influence trade in the quiet winter months, as **60%** of respondents said they would **likely** or **very likely return** to a venue where they had a great time. When putting together your winter offers, be mindful of the target demographic: Gen-Z prefer an affordable set menu, Millennials would be enticed back by a discount on the whole menu, whereas the 46-55 age group would most likely take advantage of an email voucher, perhaps sent as a thank you for booking a Xmas party.