

The Crown PH

Chapel Street, Mount Pleasant,
Mow Cop, Cheshire



Market Assessment 2007

Research done by KVM Research in the summer of 2007.

The purpose of this market assessment is to assess the potential of the business and the premises that are The Crown PH. It was conducted during the summer of 2007 by Knud Møller of KVM Research at the request of the tenant landlord Mr Andrew Hollinshead.

The content of this report and its accuracy is the responsibility of KVM Research. However, KVM Research accepts no responsibility for any actions that the owner of business, any of his partners or anyone else is taking in pursuance of the conclusions of the report.

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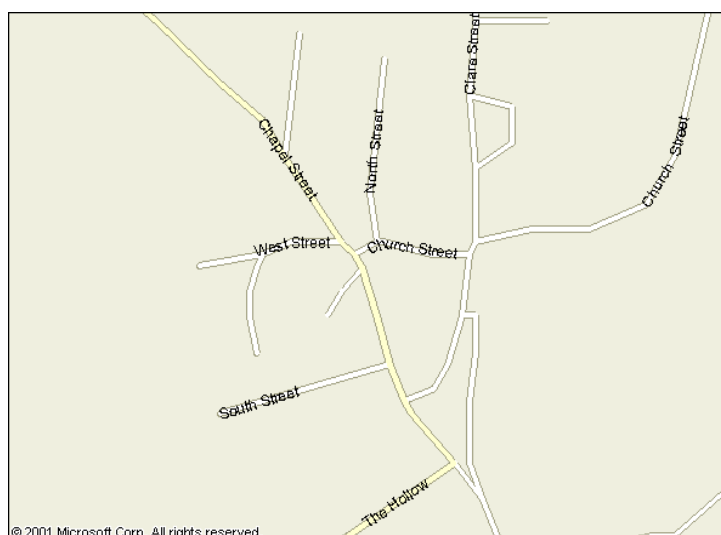
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Introduction

The Crown PH is a small centre of village public house with modern furnishings and décor and a modern feel to it. It is situated on Chapel Street in the village of Mount Pleasant in the borough of Congleton, Cheshire on the Southern edge near the border with Staffordshire. Mount Pleasant is part of the parish of Odd Rode, which also includes the villages of Mow Cop, Scholar Green and Rode Heath. The town of Kidsgrove within Staffordshire is just to the South approximately 3 miles from the pub. Also within Staffordshire is the town of Biddulph about 3 miles to the East. Within Cheshire is the town of Alsager some 3 miles to the East and 4.5 miles to the north is the town of Congleton.

The premises are owned by Mr Andrew Hollinshead who manages the business himself.



General

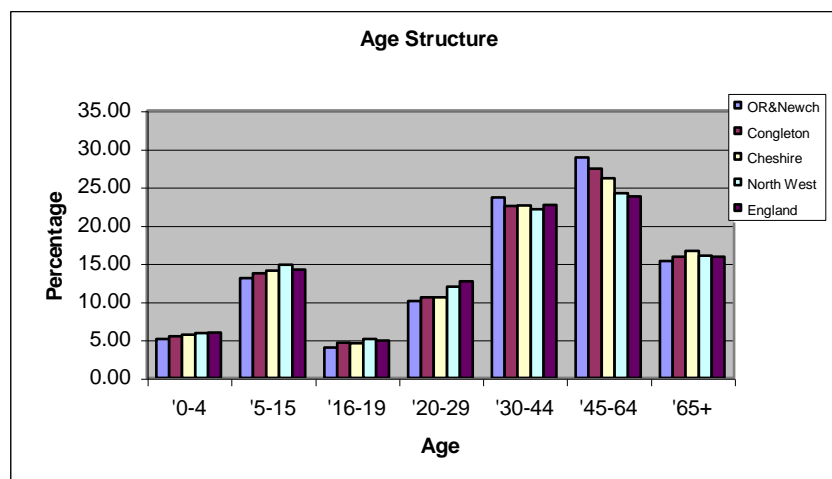
The Area

The villages of Mount Pleasant, Mow Cop and the settlements of Dales Green and Harriseahead all form part of one built-up area that straddles the boundary between the counties. This assessment of the market potential of 'The Crown' PH in Mount Pleasant therefore includes both the parish of Odd Rode within Cheshire and the electoral ward of Newchapel within Staffordshire.

The area is within the commuter belt of Stoke-on-Trent area and is in effect on the outskirts of the suburbs to that area also known as the Staffordshire Potteries. Newchapel consists of a series of ribbon developments and is therefore semi-rural in character with open fields beyond the gardens along the main roads. Odd Rode is predominantly rural with the exception of the villages.

It includes a total area of 2096 hectares and the population, which at the time of the 2001 Census comprised 8,791 people making an average density of 4.19 persons per hectare (1.70 persons per acre). This is similar to the density of the Congleton BC area of 4.30 persons per area (1.74 persons per acre). However the density within the Newchapel area is much higher at 5.82 persons per hectare (2.36 persons per acre) compared to 3.61 persons per hectare (1.46 persons per acre) within Odd Rode.

How old are they



At the time of the 2001 Census the average age within Odd Rode was 39.8 years of age, within Newchapel 41.1 years of age, making the average for the whole area 40.3 years of age. The average for the whole of Congleton Borough area was 39.9 years of age.

A striking feature of the areas population is the high proportion of people of working age from 30-44 years of age to 45-64 years of age. This would suggest a high proportion of people who are well settled at a time in their life when their capacity for social and economic involvement is at its peak.

	Odd Rode	Newchapel	OR & Newch
All People	5552	3241	8793
0 to 4	294	154	448
5 to 15	749	400	1149
16 to 19	241	112	353
20 to 29	546	338	884
30 to 44	1294	785	2079
45 to 64	1614	922	2536
65+	814	530	1344

Source: 2001 Census

A special feature of the customers at 'The Crown' is that they mostly seem to belong to a fairly narrow age group of 20 to 29 year olds. At the time of the 2001 Census they would number 884, but simple forecasting techniques suggest that they now number only about 500.

Who are they? - Socio Economic Profile

	OR Newch Congleton Cheshire North West England				
	<-		Numbers		->
All People aged 16 to 74	6,646	66,707	489,125	4,839,669	35,532,091
Economically active	<-		Percentage		->
Employees	56.03	55.66	54.19	50.64	52.62
Self-employed	10.49	8.82	8.69	7.10	8.32
Unemployed	2.17	2.22	2.53	3.63	3.35
Ft Students	1.88	2.58	2.48	2.54	2.58
Economically inactive	<-		Percentage		->
Retired	14.78	14.93	15.35	14.28	13.54
Student	2.66	4.21	3.54	4.62	4.67
Looking after home / family	4.89	5.63	5.99	6.12	6.52
Permanently sick / disabled	5.12	4.03	4.94	7.75	5.30
Other	1.99	1.92	2.30	3.32	3.10

Source: 2001 Census

There are more economically active people in this local area than in the wider area and thus also fewer people inactive. Of these slightly more are self-employed and slightly less unemployed. Most people are therefore likely to have a regular income although not necessarily a high income. There are very few students in the area.

What do they do? - Industry of Employment

	OR	Newch	Congleton	Cheshire	North West	England
All People	4,539	44,575	318,586	2,900,020	22,441,498	
	<-		Percent			->
Agriculture, hunting, forestry & fishing	1.85	2.24	2.26	1.24	1.48	
Mining, manufacturing, electricity, gas & water	26.04	22.48	19.05	17.83	15.79	
Construction	7.53	5.68	5.5	6.49	6.76	
Distribution & catering	20.14	20.28	22.29	22.95	21.58	
Transport, storage and communications	6.32	6.49	6.58	6.79	7.08	
Financial services, estate & business activities	13.15	17.70	17.85	14.57	18.01	
Public admin, education, health & social work	21.02	20.92	22.16	25.60	24.10	
Other	3.94	4.21	4.33	4.54	5.20	

Source: 2001 Census

There is in Odd Rode and Newchapel a relatively high percentage of people working in mining, manufacturing and electricity, gas and water supply and also the construction industry. Conversely the percentage of people engaged in financial services, estate and business activities. This has implications for the average income in the area as the wages paid to people in mining and manufacturing etc is relatively low while the wages paid to people in financial services etc is relatively high.

Cars & Vans

	OR & Newch	Congleton	Cheshire	North West	England
All Households - Numbers	3,657	37,282	280,031	2,812,789	20,451,427
	<-		Percent		->
No car or van	11.92	14.54	18.91	30.21	26.84
1 car or van	41.37	40.54	42.52	43.54	43.69
2 cars or vans	36.37	35.53	30.75	21.53	23.56
3 cars or vans	7.82	7.12	6.00	3.70	4.52
4 or more cars or vans	2.52	2.28	1.81	1.02	1.39
	<-		Number		->
Total cars or vans	5,452	53,301	364,067	2,874,991	22,607,629
Cars or vans per household	1.49	1.43	1.30	1.02	1.11

Source: 2001 Census

It is seen from the above table that the level of availability of cars is higher in Odd Rode and Newchapel than in other parts of Congleton Borough or wider areas. Closer analysis will show that it is higher still in Odd Rode than in Newchapel. This is probably due to the more

rural character of that area, which is less well served by public transport.

Income & Expenditure

	Congleton	Newcastle	Average
Male	566.10	498.10	527.46
Female	380.90	308.20	339.36
Total	476.10	405.00	435.11

There are no statistics available on personal or family income and expenditure for such a small area as Odd Rode or Newchapel. We therefore rely on statistics for larger areas such as Congleton and Newcastle-under-Lyme. The above table shows the average weekly earnings of individual residents in those areas who are also in employment. This we can relate to the national statistics on household expenditure, but before we can do that we need to consider average weekly household earnings.

From the above tables on residents in employment and no of households we find that in Timberbury there is an average of 1.2 people per household in employment. To find the average earnings per household we can therefore multiply the above average by that ratio and we thus find an average household earning of £522.1.

Households with that amount of earnings will according to the Family Expenditure Survey*) spend an average of £32 a week on alcoholic drinks and meals in restaurants and cafés. Multiplied with no households we thus find a potential weekly expenditure by households in Odd Rode & Newchapel on these items of £117,000 or with an estimated 29 pubs, restaurants and cafés in and around Odd Rode and Newchapel a potential weekly spending of £4,034 per establishment.

*) National Statistics, 'Information - Family Spending 2006 Edition', 1 May 2007

Market Assessment, Conclusion

As has been demonstrated above Odd Rode and Newchapel is a reasonably well to do area with a population, which belong to the middle part of the socio-economic spectrum and with a spending power. If the catchment area of 'The Crown' is limited to Odd Rode and Newchapel a weekly turnover of at least £4,000 should be expected. If the present turnover is lower than that, improvements should be achievable without too much difficulty.

Above we have referred to the relatively narrow age band of the customers in this establishment. It will therefore be relevant to look at what expenditure can be expected from people in this age.

In the year 2006 they probably number about 500 and according to the Family Expenditure Survey can be expected to spend £24 per week on alcoholic drinks and meals in restaurants and cafés making a potential total expenditure of £12,000, which between 29 establishments amounts to about £414 or approximately 10% of the total. It is therefore a very important population group for businesses of this kind, but their number is dwindling.

If 'The Crown' is to continue to rely on this group, the owner will have to widen the catchment area. Alternatively he may recognize that this group is becoming less important and therefore try to broaden the appeal of 'The Crown' to a wider population group.

Customer Survey, Analysis

The following is an analysis of a questionnaire survey that was conducted in the spring of 2007 among the customers visiting 'The Crown' PH. Customers were invited to pick a questionnaire from a box exhibited in the bar area. 46 questionnaires were returned which equates to probably about 15% of the total regular clientele. The analysis gives an indication of where improvements can be achieved with the consensus of the existing customers.

Response from Male Customers

	Car Owner	Employee	Self-employed	Un-employed	Students	Other	Total
Who?	30	10	15	1	5	3	34
	Timberbury	Little Town	Lymegrove	Bliddulph	Mow Lawn	Elsewhere	Total
Where?	9	3	4	5	5	8	34
	Daily	2-3 times	Once a week	Weekends	Regularly	Occasional	Total
How often?	8	6	5	7	7	1	34
	Lunchtime	Evenings	Lunch & Eve	Total			
When?	11	15	8	34			
	Quality	<u>Drinks</u>		Quality	<u>Food</u>		<u>Snacks</u>
Attraction	30	Variety	Price	20	Variety	Price	15
		15	25	17	19		
	<u>Atmosphere</u>						
Atmosphere	Staff	Owner	Décor	Atmosphere	Hygiene	Smoking	Opening
	19	23	10	18	20	8	8
	<u>Improvements</u>						
Improvements	Drinks	Snacks	Traditional food	Spicy food	Vegetarian	Entertainment	Modernisation
	7	6	11	8	7	3	3

The customer profile matches the profile of the general area of Odd Rode in terms of age and socio-economic structure and a great majority are car owners who travel to 'The Crown' by car. They visit the inn mostly in the evenings, but about a third of the male customers also visit it at lunchtimes.

It appears that the attraction is the quality and price of drinks and food while the friendly attitude of people behind the bar both staff and management and the general atmosphere are also important.

We have already noted that 'The Tile & Timber' PH is a traditional country pub and the customers appreciate the traditional atmosphere. However, it appears that many,

both men and women, would like to see more traditional food on the menu with many men also wanting more spicy dishes. Few cares about entertainment or modernisations to the pub. However, these attitudes varies with age.

Response from Female Customers

	Car Owner	Employee	Self-employed	Un-employed	Students	Other	Total
Who?	10	1	1	1	2	7	12
	Timberbury	Little Town	Lymegrove	Bliddulph	Mow Lawn	Elsewhere	Total
Where?	2	3	1	1	1	4	12
	Daily	2-3 times	Once a week	Weekends	Regularly	Occasional	Total
How often?	1	5	1	2	2	1	12
	Lunchtime	Evenings	Lunch & Eve	Total			
When?	2	4	6	12			
	Quality	Drinks		Quality	Food		Snacks
Attraction		Variety	Price		Variety	Price	
	6	11	9	11	8	6	3
	Atmosphere						
Atmosphere	Staff	Owner	Décor	Atmosphere	Hygiene	Smoking	Opening
	10	11	10	8	11	2	8
	Improvements?						
Improvements	Drinks	Snacks	Traditional food	Spicy food	Vegetarian	Entertainment	Modernisation
	7	1	11	3	7	3	2

It is seen from the table below that variety and price are dominant attractions in the minds of younger people while quality, price (value for money?) and the attitude of staff and general atmosphere of the place ('Friendliness') become more important to the older customers. Appearance ('Décor' and 'Hygiene') of the place also becomes more important.

Age and Atmosphere

	Quality	Variety	Price	Friendliness	Access	Décor	Hygiene
15-29	7	15	13	4	4	0	0
%	21.9	31.3	40.6	8.3	25.0	0.0	0.0
30-49	31	18	18	19	20	2	2
%	64.6	25.0	37.5	26.4	83.3	8.3	8.3
50+	10	0	8	9	5	2	2
%	83.3	0.0	66.7	50.0	83.3	33.3	33.3

Finally customers were asked to look at some possible improvements to what is offered at 'The Tile & Timber' PH.

The final table show how the preferences for improvements vary with age. It is seen that the younger age groups wish to see more variety in terms of drinks and snacks and the same groups seem to wish to see some form of entertainment while the older age groups put more emphasis on improvements to the food menu and especially wish to see more traditional food on offer. In between there is a group of people aged 20 to 39 who would like to see more spicy food and more vegetarian dishes on the menu and possibly a change to the décor.

Age and Possible Improvements

Age	Drinks	Snacks	Food	Trad Food	Spicy	Vegetarian	Entertainment	Décor
15-19	4	3					3	
20-24		2				3		2
25-29	2			2	2	2		1
30-34		1	3		3	2		
35-39	1		3	5	3			
40-49			2					
50-59			1	2				
60+				2				
Total	7	6	9	11	8	7	3	3
%	15.2	13.0	19.6	23.9	17.4	15.2	6.5	6.5

Customer Survey, Conclusions

'The Crown' PH has over the years had a faithful patronage who value the traditional fayre and atmosphere offered in the inn. Patrons appear to be drawn mostly from the local population of the surrounding area many of whom are quite well off by regional and national standards. They will probably tolerate increases in price, but will also wish to see value for money so increases should be accompanied by improvements eg to the food menu.

By contrast there is a group of younger customers who may wish to see a more up-to-date style of management with more variety in drinks, snacks and food and a modern décor. However, this age group is only a small proportion of the local population.

The choice in promotion and marketing is between heeding the wishes of the traditional customers and hope to attract more or listening to the younger clientele. This will mean a complete change of direction and in order to

make up numbers would have to attract customers from a much larger catchment area.

Customer Survey 'The Crown' PH, Mount Pleasant, February 2007.

A survey of the customers is requested by the owner landlord of the 'The Crown' PH, Mount Pleasant, Mow Cop. The outcome will assist him in planning the future of his business and implement improvements if such are suggested by the customers. The survey is confidential and no detail about each response will be revealed to the landlord or any third party. An analysis and report will be handed to the owner of the PH and will be his property alone. Please fill in the questionnaire as accurate as you can. Customers should only fill in one questionnaire each. You may fill in the questionnaire at home and bring it back later.

Who are you? Tick one box only in each section.

Gender: Male Female

Age: 15-19 20-24 25-29 30-34 35-39
40-49 50-59 60+

Car owner: Yes No

Are You: Employed Self-employed Unemployed/seeking work

Student Other:

Where do you live: Mount Pleasant Mow Cop (near the top)

The Bank Scholar Green Rode Heath Congleton

Mow Cop, Staffordshire side Kidsgrove Biddulph

Elsewhere:

You and 'The Crown' Tick as many boxes as apply.

How often do you come into 'The Crown': Daily 2-3 times a week

Once a week Weekends only Less often, but regularly

Occasionally

What attracts you to 'The Crown'? Quality of the drinks Variety of drinks

Variety of snacks Price of drinks Easy access/within walking distance

Friendly bar staff Friendly owner Friendly atmosphere

Furniture and decorations Hygiene & cleanliness

That I am allowed to smoke

Opening times

This section concerns any improvements or other suggestions you may have. However, please bear in mind that the owner is constrained by the terms of his licence and has to keep on good terms with his neighbours and other residents in the area.

Any improvements to suggest?

More variety of drinks More variety of snacks

Making coffee and/or tea available

Ban smoking immediately Some light entertainment eg a piano

Traditional furniture and/or decorations

Other suggestions:

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