

## When the Pint Eats the Lamb's Lunch

Rising costs and changing drinking habits are squeezing Britain's pubs, forcing operators to find new ways to continuously bring customers through the door.

**By Zygmantas Mascinkas**

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On Chiswick High Road, competition for a pint is fierce - at least six pubs within a ten-minute walk of The Lamb, a traditional London pub where customers can order from their table and Sunday roasts remain a staple.

Behind the familiar trappings, though, its business model is changing. Last year, The Lamb invested heavily in a stretch tent over its garden to generate more sales from its outdoor space. More recently, it extended its opening hours in an attempt to attract more customers.

For Elga Amatniece, a member of the pub's management team with more than two decades in hospitality, such changes are becoming increasingly important. Rising labour and supplier costs are colliding with changing working patterns and customers going out less often.

"The pubs definitely need to adapt to survive," says Elga.

The Lamb's experience reflects a wider challenge facing Britain's pubs – how to preserve the appeal of the traditional local while making the economics of running one work in a very different consumer landscape.

The pressures extend far beyond one Chiswick pub. The UK had 176,685 hospitality businesses in 2025, almost 98 per cent of them small businesses. Labour costs are a particular strain – more than one in five hospitality workers were paid the minimum wage in 2023/2024, leaving the sector especially exposed to rises in statutory sick pay. From April 2025, employers also faced an increase in National Insurance Contributions from 13.8 to 15 per cent, while the salary threshold at which they begin paying them fell from £9,100 to £5,000.

But higher costs do not necessarily spell decline. Jake Read, a hospitality consultant who works with pubs, restaurants and business development, argues that the real divide is between businesses willing to change and those still relying on an old formula.

"The businesses that have learnt to adapt are still successful and still making a good profit," he said. "The businesses that do not adapt ... are struggling because people want something different. They want something that's on trend. They want something interactive."

At The Lamb, adaptation happens in smaller, less conspicuous ways too. The pub, which Amatniece says strives to be a pillar of the local community, offers residents a 10 per cent discount and prioritises feedback from its regulars.

Attracting a new generation of regulars, though, presents another challenge. Younger customers tend to visit for drinks rather than lunch or dinner, Amatniece says, while older guests make up much of the pub's dining trade. The stretch tent represents The Lamb's biggest recent bet on its outdoor space, an investment that has yet to pay for itself, though Amatniece expects it do so by the end of the financial year.

Jake Read has also noticed changing consumer behaviour among younger customers. "The new generation absolutely drink less," he says. "But this is where you diversify and adapt to build your brand."

The challenge extends beyond drinking habits. A hospitality manager Rachael Brooks says customers have become "far more selective" as the range of choices available to them has expanded.

"What draws them out is the connection – the ambience we create within four walls, and that basic human need to touch, taste, smell and see for themselves, to really take it all in. No amount of choice online replaces that."

Changing working patterns have reshaped the pub week too. Amatniece says Fridays have grown quieter since the pandemic as more people work from home, while Thursdays have become busier for after-work drinks. She has also noticed customers going out less often as living costs rise, increasingly treating a night out as a "special occasion". That puts greater pressure on pubs to get the experience right every time, she says, so "every visitor leaves happy".

For operators, adapting to those shifts mean scrutinising costs as closely as customer behaviour. At The Lamb, labour is monitored closely by head office, leaving managers to balance staffing targets against the table service that distinguishes the pub from nearby competitors. Staff are trained to upsell, Amatniece says, to help justify the labour allocated to each shift, while savings are sought in less obvious places, from napkins and gloves to kitchen supplies.

Amatniece says no single expense stands out as the greatest challenge. Instead, she points out, the collective increase in costs that is squeezing the business. Some supplies, she adds, can now be cheaper from Amazon or local shops than from established suppliers. Although, finding the time to hunt for those savings, she rather finds a challenge in itself.

Read says labour has undergone one of the biggest changes he has witnessed during his career. In some businesses he works with, he says, labour costs that might once have represented about 16 per cent of net revenue can now approach 30 per cent. No single cost necessarily poses the greatest threat, he argues. The pressure comes as energy, wages, taxes and other overheads accumulate.

But what is at stake extends beyond the balance sheet. For Amatniece, a pub's value cannot be measured solely by the number of pints or Sunday roasts it sells. The Lamb works with a local church on charity events, offers residents a discount and hosts everything from casual meetings between friends to some of life's most significant occasions.

“The pub is supposed to create a community for the local residents,” she says. “It is a place for celebrations or even wakes. In pubs, same as churches, everyone is welcome.”

Brooks sees a similar value in the wider hospitality industry, particularly in the employment and career opportunities it provides. After more than two decades in the sector, she describes an industry that can offer flexibility and progression to people at different stages of their working lives as well as where colleagues can become a “second family.”

Yet preserving that role may require pubs to change the very model that sustained them for generations. Read argues that operators should think less about survival than about growth, whether through food, events, alcohol-free drinks or simply giving customers a reason to leave the house.

At The Lamb, that future is already being tested – a covered garden, in longer opening hours, in the smaller calculations behind every shift. The traditional pub may still revolve around a pint, but increasingly, staying open depends on offering much more than one.