

COVID-19

ON PREMISE IMPACT REPORT

CGA, December 2 2021





INTRODUCTION

CGA's dedicated focus is to measure, understand and consult on the On Premise channel in many countries around the world.

In these times of unprecedented change in both consumer needs, and in the very infrastructure of the channel, robust data-driven insights and consultation has never been more important.

Since COVID-19 hit us all in March 2020, we have been committed to providing bi-monthly, free for all, custom research designed specifically to add value to the topic areas that you, our valued customers, have told us is important to you.

We shall continue to do this until you tell us that the channel has become predictable enough to no longer need such frequent touch points around changing consumer sentiment and sales tracking.

In this BeverageTrak update, we are evaluating the most recent \$ sales velocity performance. Given the US is such a vast and diverse country, understanding the different sales dynamics across the different States, as the consumer and regulatory response to COVID-19 evolves, is proving to be extremely important in building local sales tactics.

This report covers On Premise \$ sales trends from our unique BeverageTrak dataset up to week ending November 27, 2021.

CORE CGA SERVICES

Essential tools to help you navigate the On Premise channel

Sales Performance On Premise Measurement (OPM)



- Industry leading Spirit, Beer, and Wine volumetric (L) & sales (\$) measurement
- Barometer for brand and category performance & benchmarking
- Robust high-level data designed for central insights, brand and category teams, and c-suite

Consumer Insights On Premise User Survey (OPUS)



- Build unique, compelling, sales stories by channel and brand
- Understand brand engagement, serve styles, and consumer preferences by channel and occasion
- National account RFP support drives revenue and fosters strong operator partnerships
- Key topic syndicated reports and custom projects provide guidance for complex business cases
- Ability to gain exclusive insights through custom questions*

Transaction-Level Solutions BeverageTrak



BEVERAGETRAK

- Granular check-level sales data shows how brands & categories are being consumed, when and at what price
- Day and daypart tracking measures performance and activation ROI enabling sales and marketing teams to develop effective strategies
- Quick turnaround produces early indicator of key subchannel trends



ENHANCED ANALYTIC SOLUTIONS

Tools to help you navigate the new On Premise reality

Check Value Analytics



Analyze and understand the value of your brand on a check, what categories and other brands feature on checks with your brands

Events Analysis



Understand which events in the On Premise have the biggest impact on sales for your brands and categories across specific days and dayparts

Pricing Analytics



Understand the spread of average pricing across product levels, and how your brand is priced alongside your competitors allowing you to better inform key pricing decisions

BeverageTrak Spirits & Beer



Tracking low level, sub-market sales performance and market trends is now crucial. Show how valuable your brand is by Day & Day Part

Marketing Effectiveness



Analyze and understand the impact of On Premise activation and promotion on sales to support effective promotional activity

Stocking Analytics



Test theories you have about the benefits of certain stocking scenarios or quantify a lost opportunity when products or formats are not stocked together



REPORT SUMMARY

- While not necessarily perceived as an On Premise event, with many outlet choosing not to trade, **Thanksgiving** (November 25) velocities for outlets that did remain open were up **+29%** vs the previous Thursday, and **+64%** higher than the average Thursday across the rest of 2021
 - Check values growth drives performance as they increase **+149%**, making it the strongest check value day so far this year- proving the day's importance to the On Premise in capturing consumer spend.
- The Wednesday before Thanksgiving, often referred to as **Blackout Wednesday** (November 24th) also delivered strong velocity growth, with velocity at state level up between **+25%** and **+47%** vs the previous Wednesday.
 - It is also the strongest Wednesday across the year for all metrics of success, up **+44%** in velocity, **+17%** in check value and **+24%** in traffic vs the average Wednesday in 2021.
- November 27th marks the 24th consecutive week of velocity in Total US being above 2019 levels
 - Velocity remains ahead of 2019 levels in all key states, resulting in a **+22%** difference for Total US.
 - In recent weeks, following positive trends in the first weeks of the month, slight declines are experienced at **-2%** in the week to November 20 and **-6%** to November 27, following trends in previous years.
- All key states experienced flat or negative trends to November 27, however **Illinois** experienced slight growth for the third consecutive week in the week to November 20, while other states were in slight decline.
- Despite negative trends, velocity in outlets currently trading is now **+73%** higher than the same week in 2020, with **Illinois** (**+162%**) and **New York** (**+117%**) in particular experiencing the greatest difference following the most stringent Covid restrictions this time last year.
- Across all states, declines are driven largely by major city performance in the latest week, and in **California** growth of **+3%** outside of major city brings the state flat in the latest week
- Looking forward, the upcoming weeks remain some of the most important weeks in the On-Premise as we continue in the holiday period, hence ensuring you are best placed to reap the benefits of consumers willingness to spend during this period is especially important.



SOURCE: BEVERAGETRAK

TRENDS OVER TIME

Latest week:

November 27 2021

\$71,347

v 2020

+73%

v 2019

+22%

Latest 12 weeks:

November 27 2021

\$830,425

v 2020

+51%

v 2019

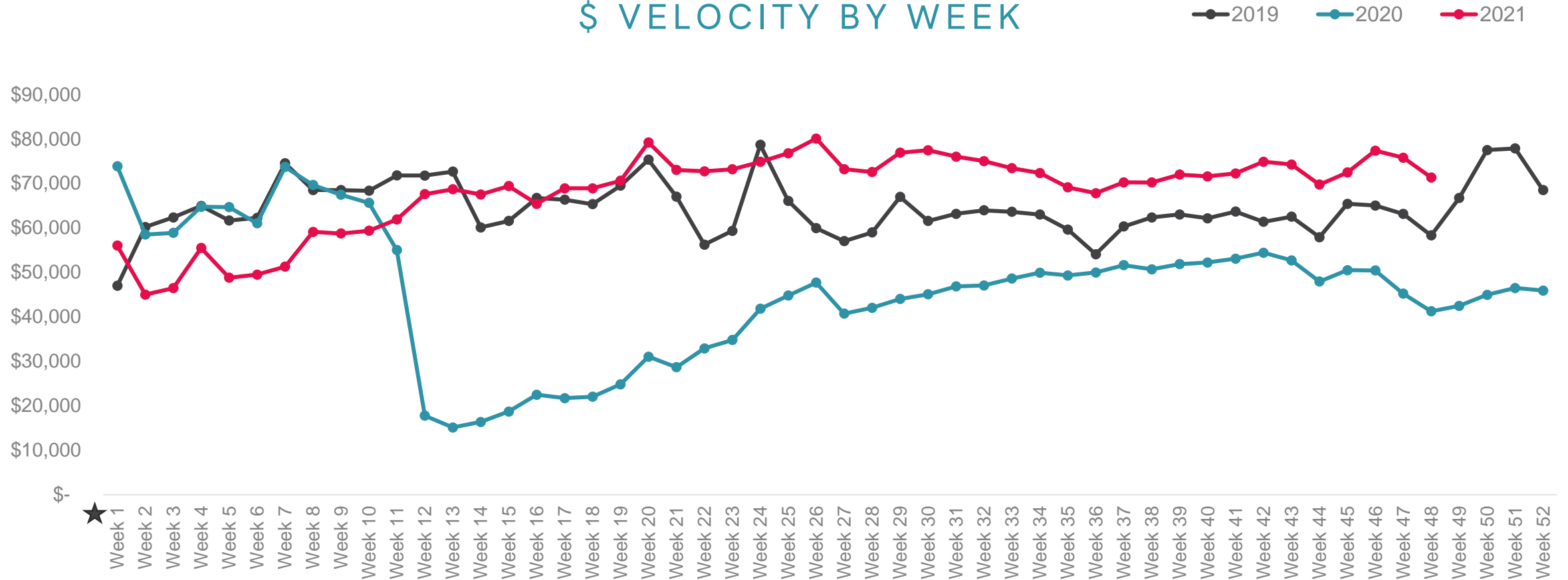
+23%



TOTAL US MARKET SALES: RECAP

Velocity in outlets currently trading is +73% higher than last year, and +22% up vs 2019.

\$ VELOCITY BY WEEK

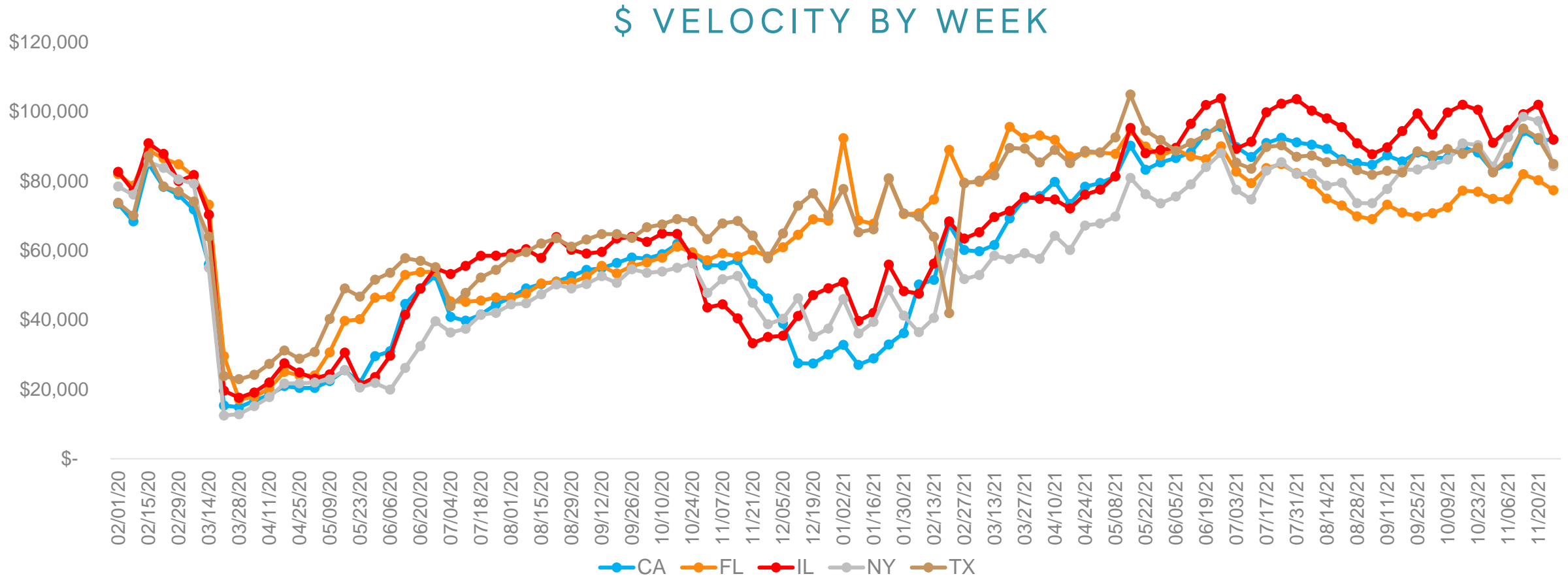


★ Exact dates can be found in the appendix



KEY STATE MARKET SALES: RECAP

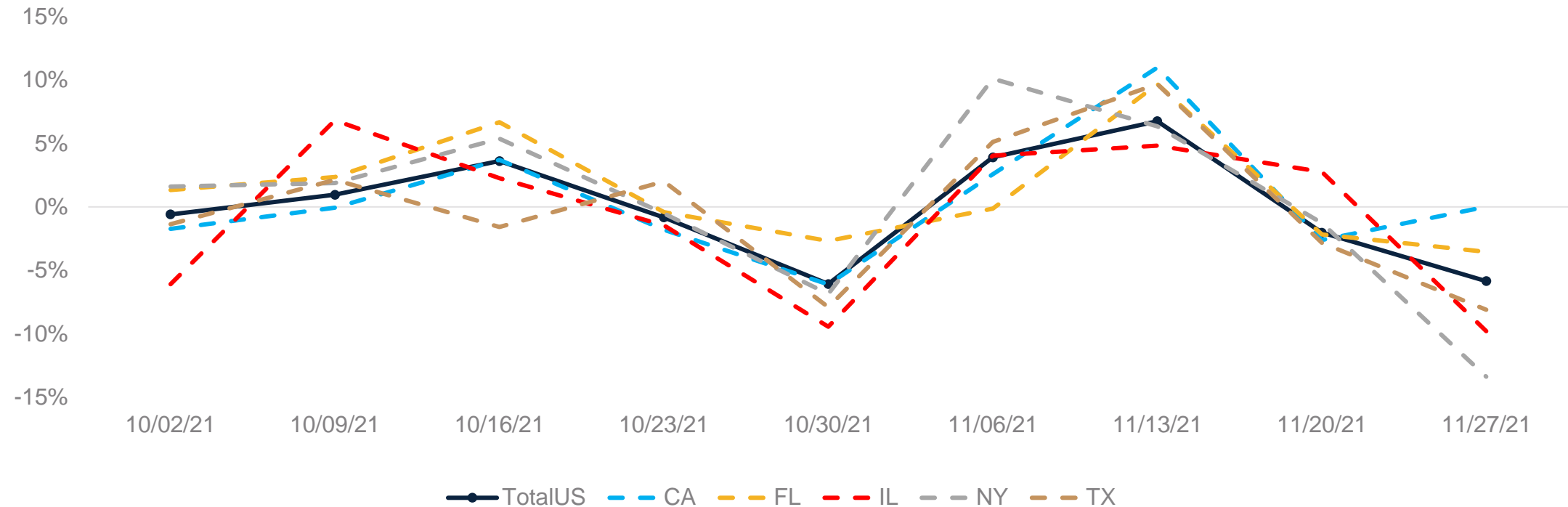
All key states experienced flat or negative trends to November 27, however Illinois experienced slight growth for the third consecutive week in the week to November 20, while other states were in slight decline, and all have velocity above 2019 levels.



TOTAL MARKET SALES

All states experience flat or negative trends in the week to November 27, despite strong blackout Wednesday and thanksgiving performances.

\$ VELOCITY % CHG - WEEK ON WEEK



NEW YORK STATE

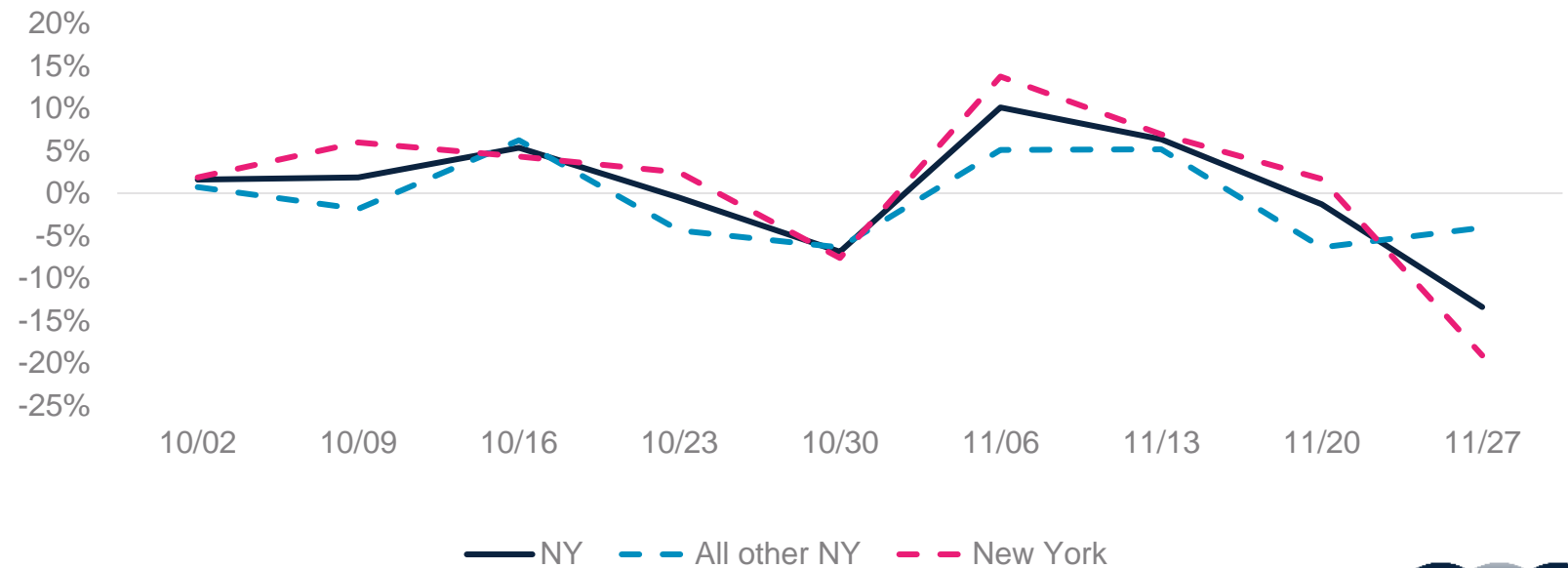
+4% +117% -13%

v November 30 2019

v November 28 2020

v November 20 2021

\$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: BEVERAGETRAK



ILLINOIS

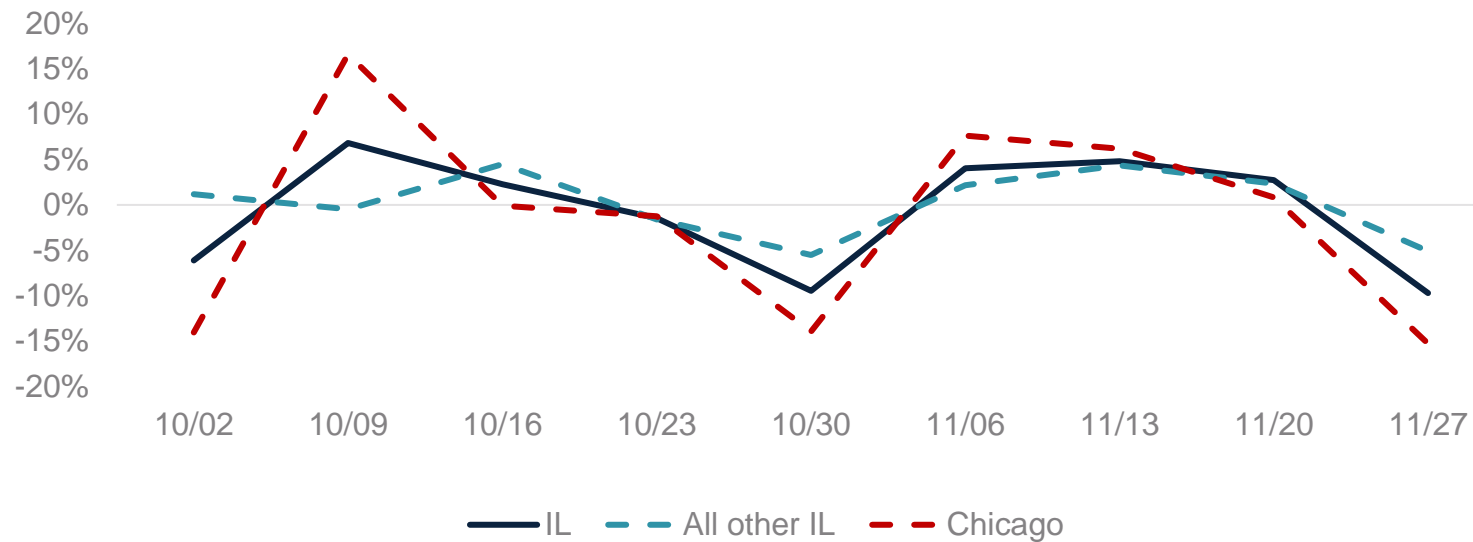
+13% +162% -10%

v November 30 2019

v November 28 2020

v November 20 2021

\$ VELOCITY % CHG - WEEK ON WEEK



CALIFORNIA

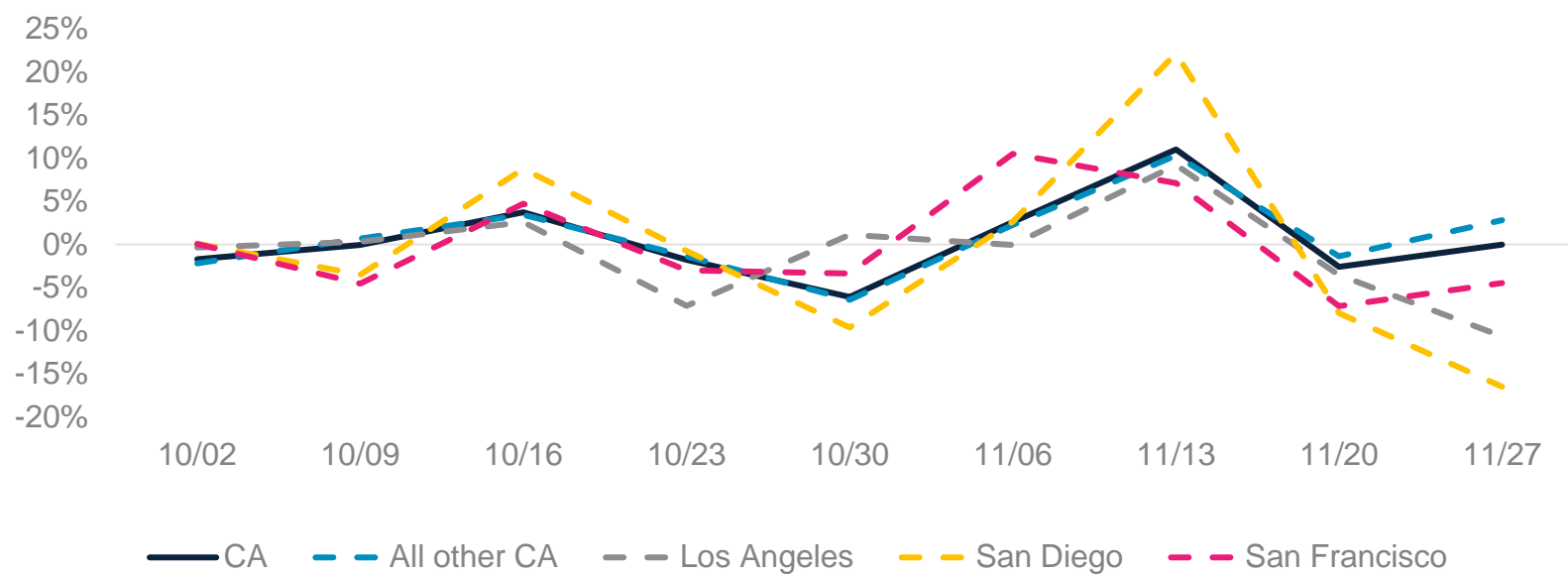
+36% +99% 0%

v November 30 2019

v November 28 2020

v November 20 2021

\$ VELOCITY % CHG - WEEK ON WEEK



TEXAS

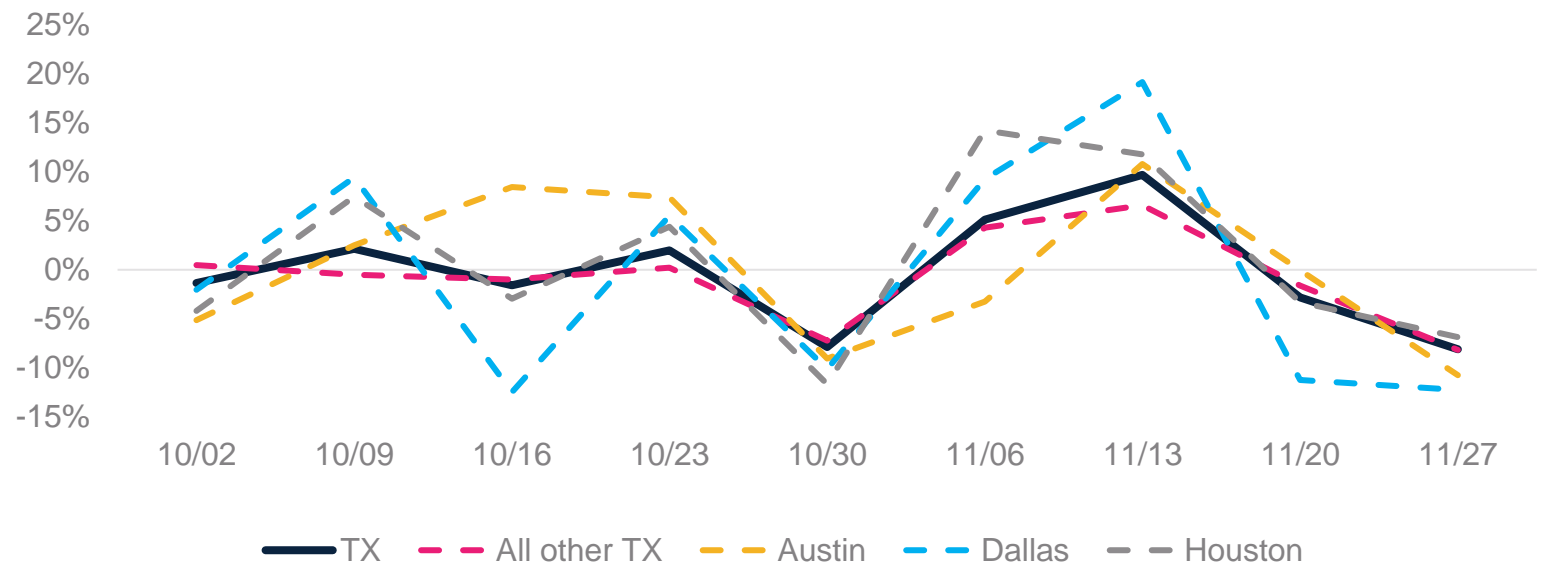
+31% +47% -8%

v November 30 2019

v November 28 2020

v November 20 2021

\$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: BEVERAGETRAK



FLORIDA

+18%

+33%

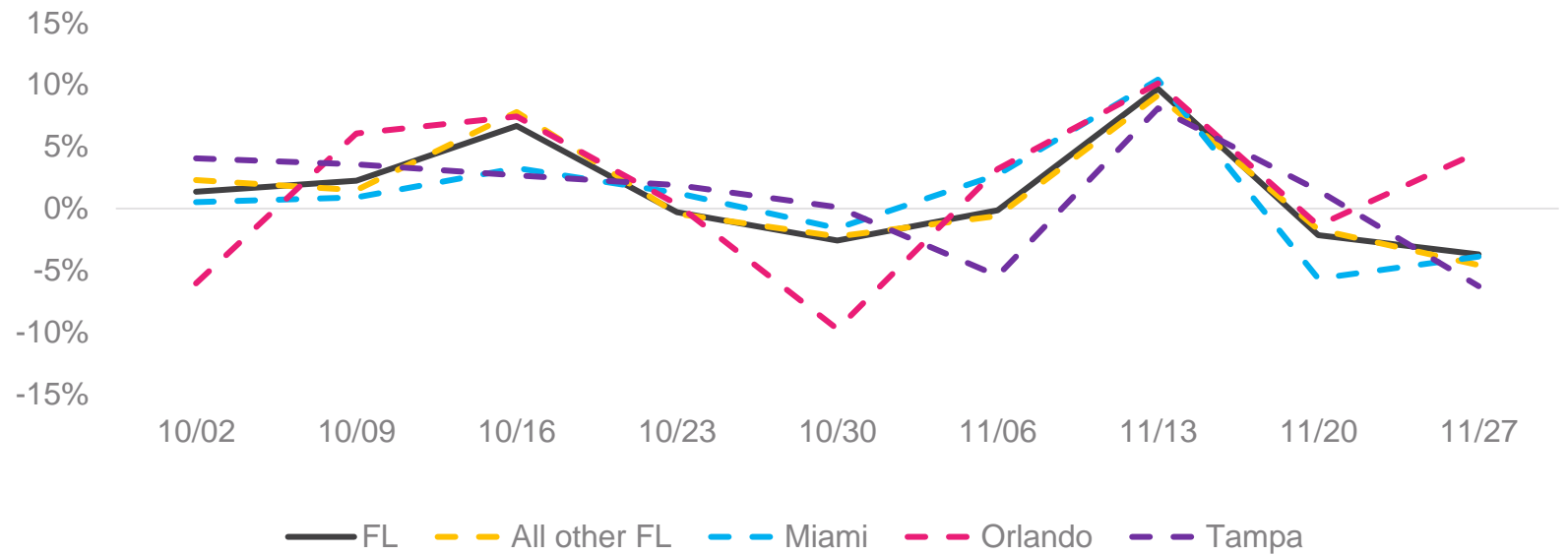
-4%

v November 30 2019

v November 28 2020

v November 20 2021

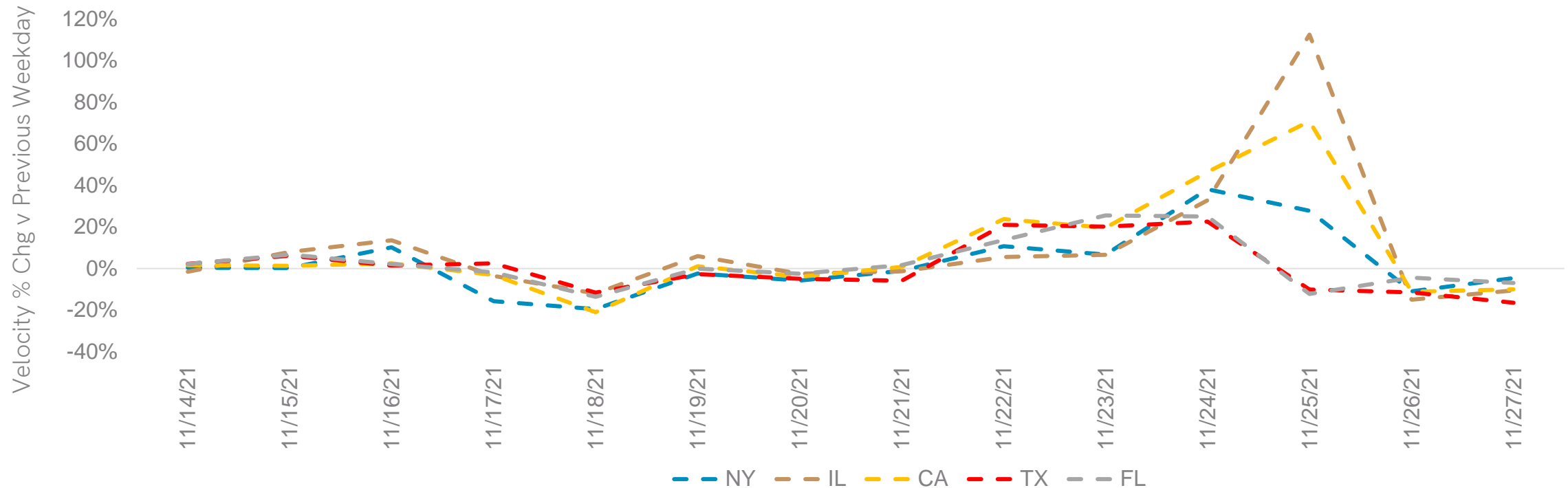
\$ VELOCITY % CHG - WEEK ON WEEK



DAILY VELOCITY

All markets experience strong trends vs the previous Wednesday on Blackout Wednesday. California, New York and Florida also experience strong velocity growth vs the previous Thursday on Thanksgiving.

\$ VELOCITY % CHG - DAY v SAME DAY PREVIOUS WEEK



N.B.

% Chg v Previous Same Weekday: Change in Velocity v the same weekday in the previous week. E.g. Monday this week v Monday last week





METHODOLOGY

BEVERAGETRAK

POWERED BY CHECK-LEVEL INSIGHTS POOL (CLIP)

Analysis of BeverageTrak demonstrates that current On-Premise performance is two Standard Errors away from normal market variation. We can therefore infer that as one of the main variables that cannot be controlled for is COVID-19, and it is this that is driving market performance.

A stable set of outlets has been used to allow a comparison of average value velocity this year against last year. The comparison points used will be the same week as a week a year ago for example average sales from week 30 in 2020 will be compared to average sales from week 30 2019.

HOW CAN WE HELP?



Matthew Crompton: Client Solutions Director: Americas
Matthew.Crompton@cgastrategy.com



Alex Martin: Operator & Analytics Director: Americas
Alexandra.Martin@cgastrategy.com



Amy Warren: Director of Client Success: Americas
Amy.Warren@cgastrategy.com



WEEK ENDINGS

	2019	2020	2021
Week 1	1/5	1/4	1/2
Week 2	1/12	1/11	1/9
Week 3	1/19	1/18	1/16
Week 4	1/26	1/25	1/23
Week 5	2/2	2/1	1/30
Week 6	2/9	2/8	2/6
Week 7	2/16	2/15	2/13
Week 8	2/23	2/22	2/20
Week 9	3/2	2/29	2/27
Week 10	3/9	3/7	3/6
Week 11	3/16	3/14	3/13
Week 12	3/23	3/21	3/20
Week 13	3/30	3/28	3/27
Week 14	4/6	4/4	4/3
Week 15	4/13	4/11	4/10
Week 16	4/20	4/18	4/17
Week 17	4/27	4/25	4/24
Week 18	5/4	5/2	5/1
Week 19	5/11	5/9	5/8
Week 20	5/18	5/16	5/15
Week 21	5/25	5/23	5/22
Week 22	6/1	5/30	5/29
Week 23	6/8	6/6	6/5
Week 24	6/15	6/13	6/12
Week 25	6/22	6/20	6/19
Week 26	6/29	6/27	6/26

	2019	2020	2021
Week 27	7/6	7/4	7/3
Week 28	7/13	7/11	7/10
Week 29	7/20	7/18	7/17
Week 30	7/27	7/25	7/24
Week 31	8/3	8/1	7/31
Week 32	8/10	8/8	8/7
Week 33	8/17	8/15	8/14
Week 34	8/24	8/22	8/21
Week 35	8/31	8/29	8/28
Week 36	9/7	9/5	9/4
Week 37	9/14	9/12	9/11
Week 38	9/21	9/19	9/18
Week 39	9/28	9/26	9/25
Week 40	10/5	10/3	10/02
Week 41	10/12	10/10	10/09
Week 42	10/19	10/17	10/16
Week 43	10/26	10/24	10/23
Week 44	11/2	10/31	10/30
Week 45	11/9	11/7	11/6
Week 46	11/16	11/14	11/13
Week 47	11/23	11/21	11/20
Week 48	11/30	11/28	11/27
Week 49	12/7	12/5	
Week 50	12/14	12/12	
Week 51	12/21	12/19	
Week 52	12/28	12/26	