COVID-19 IMPACT REPORT

ON PREMISE IMPACT REPORT: ISSUE 11 PART 1

Nielsen CGA, August 5 2020

INTRODUCTION

With all states now in some degree of ‘open’, the reimplementation of some restrictions highlights the fragility of the U.S On Premise at present. Venues are in a period of experimentation; finding ways to maximize capacity and encouraging more consumers to return, while counterbalanced by measures to protect consumers and themselves from rising infections and the threat of re-enacting shelter in place restrictions.

Nielsen CGA has strived to gather the latest statistics and consumer insights to provide you with the data to support your sales and business approaches during these ever changing conditions. We know there are other key considerations as the market reopens, with focus expanding from COVID-19 to wider consumer behavior. We are continually listening to your feedback and want to support you with the information you need to make key decisions surrounding COVID-19 and the On Premise ‘next normal’. Please reach out to speak with us for support on these broader topics. We are thankful for your engagement and hope to continue bringing you studies which can help you to focus your efforts.

This issue we focused on the key states of **Texas, Florida, New York** and **California** and have shifted to a data tracker format in order to consistently visualise the changes in the current situation and easily highlight fluctuations.

Over the weekend (**July 31 - August 2**) we surveyed **1,400** respondents (who have drunk alcohol in the last 3 months) from these states on their expectations, desires and how they plan to behave in the next two weeks.

nielsen CGA PHENOMENAL DATA. EXPERT INSIGHT.

SUMMARY

- Visitation to bars/restaurants for eating and drinking occasions remains flat on the previous two weeks - **42%** have been out to eat in the past two weeks and **15%** have been out for a drink.
- With visitation remaining fairly flat it appears we have plateaued out on those consumers willing to return to the On Premise before the situation improves - outlets may need to look at fresh approaches to reaching out to those who have not returned.
- This may be by highlighting more extensive safety and hygiene practices for those who are concerned or offering alternative motivators such as deals or discounts for slow periods.
- Visitation for eating by age once again reveals a fairly even split across demographics, revealing that the vulnerability of age does not appear to be a contributing factor to concern over visitation. Drinking occasions for younger people have fallen though as bar closures have an impact.
- Satisfaction of visits remains high with **82%** of returning visitors feeling satisfied or extremely satisfied with the overall experience on their last visit.
- Both Drinking and Eating occasions are increasing in New York but are beginning to decline slightly again in Florida (for Eating) and Texas (for Drinking).
- Thus far, take out/delivery has remained a popular option with consumers and we have not seen a dip in the numbers ordering food or alcohol this way despite some outlets reopening. With many drinks based outlets still under restrictions, we must still wait to see how their full reopening will influence this trend.

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

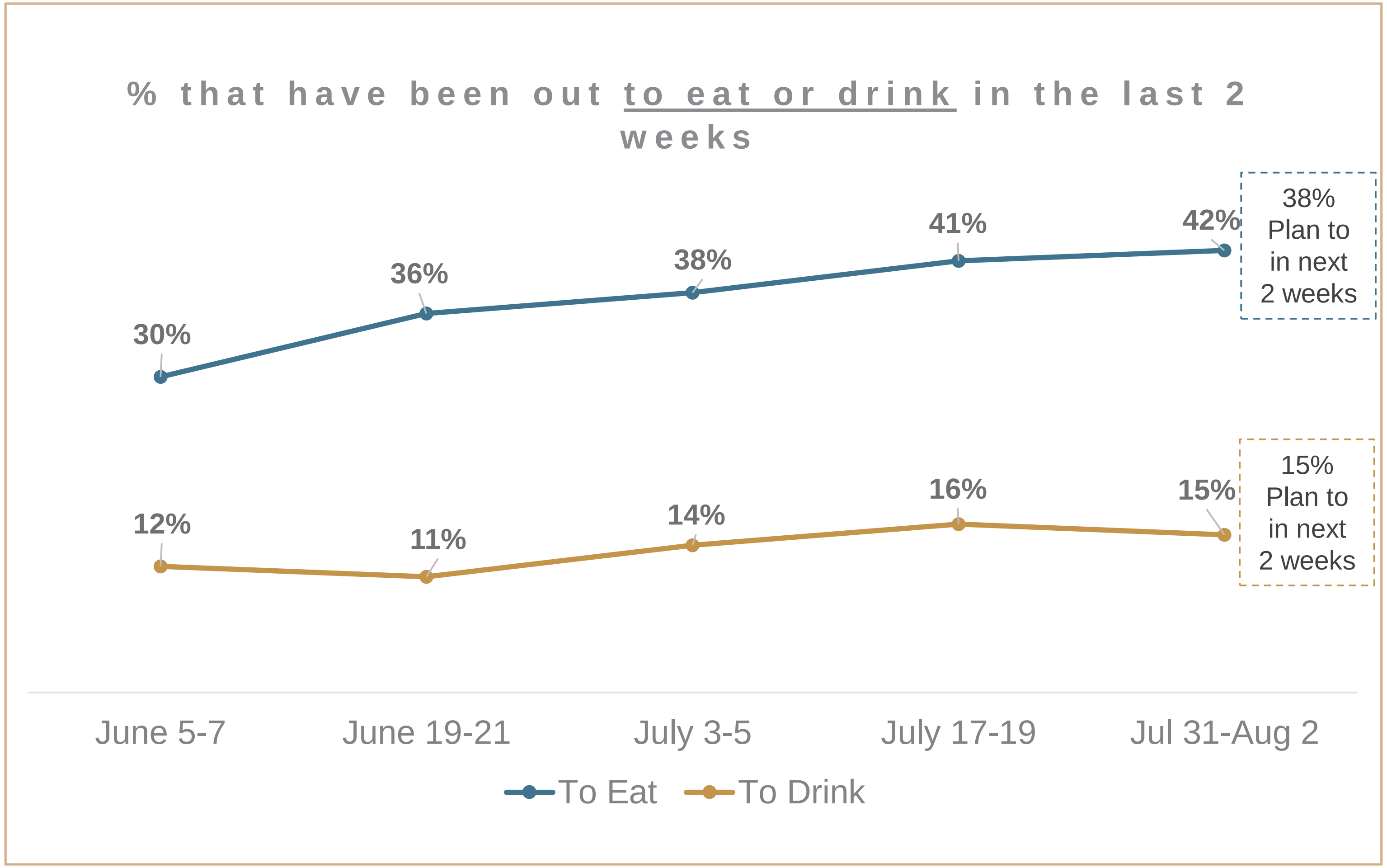
RETURNING TO VENUES

42%

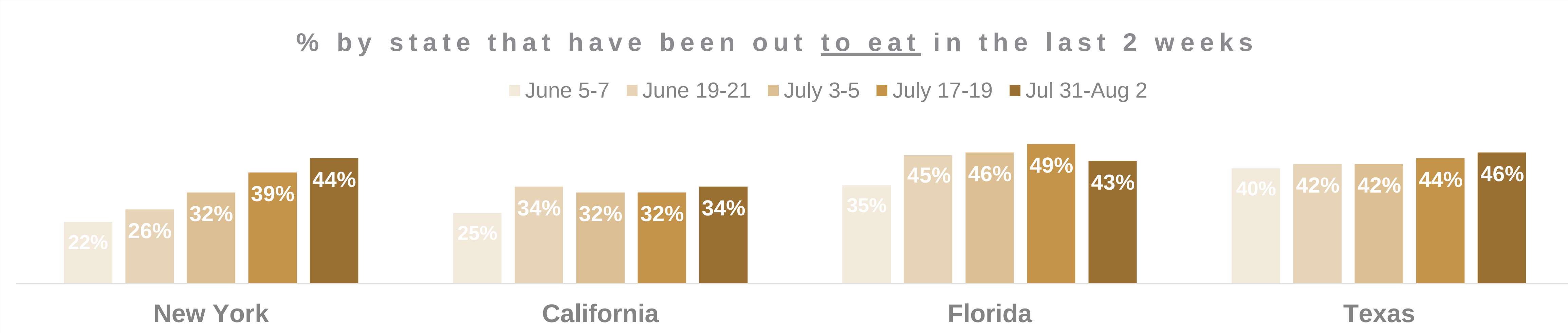
CONSUMERS HAVE BEEN OUT TO EAT IN THE LAST TWO WEEKS

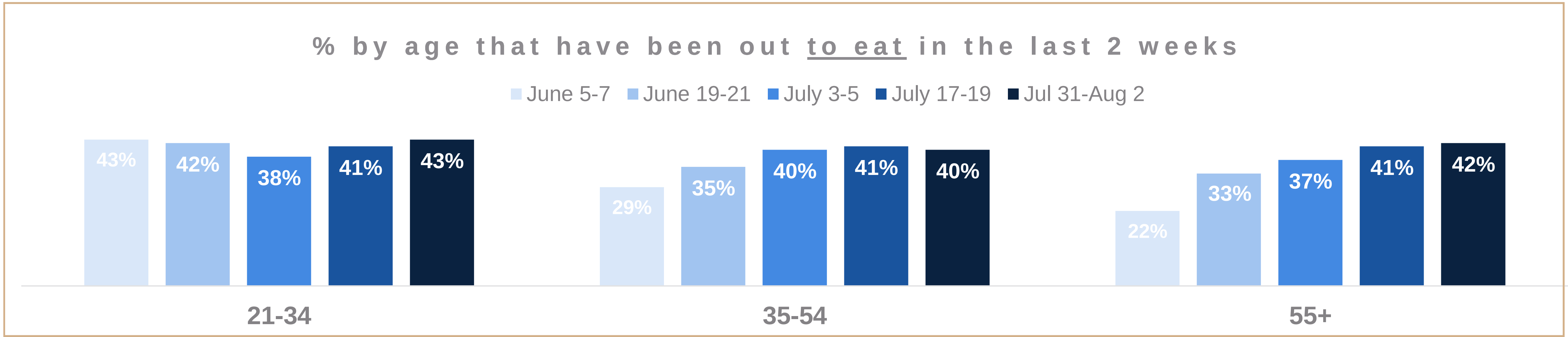
15%

CONSUMERS HAVE BEEN OUT TO DRINK IN THE LAST TWO WEEKS

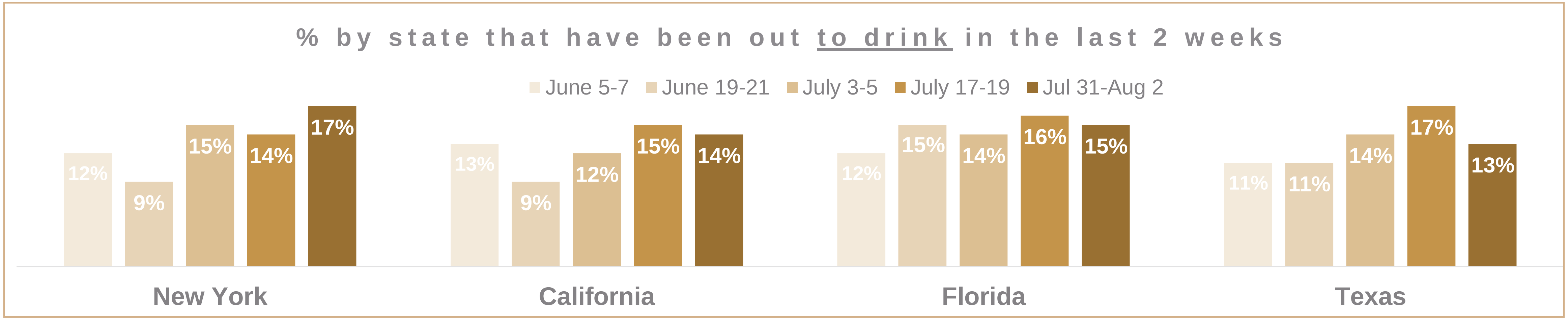


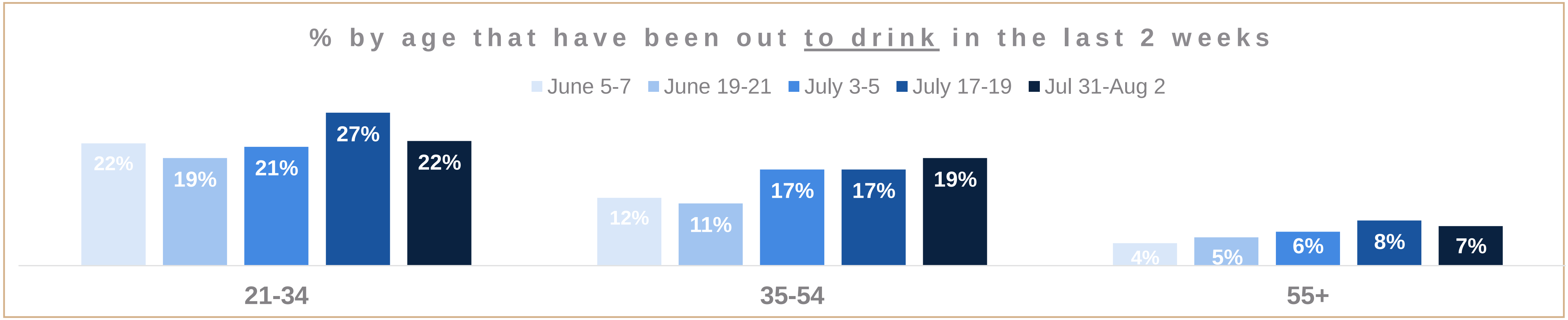
RETURNING TO VENUES - TO EAT DEMOS





RETURNING TO VENUES - TO DRINK DEMOS

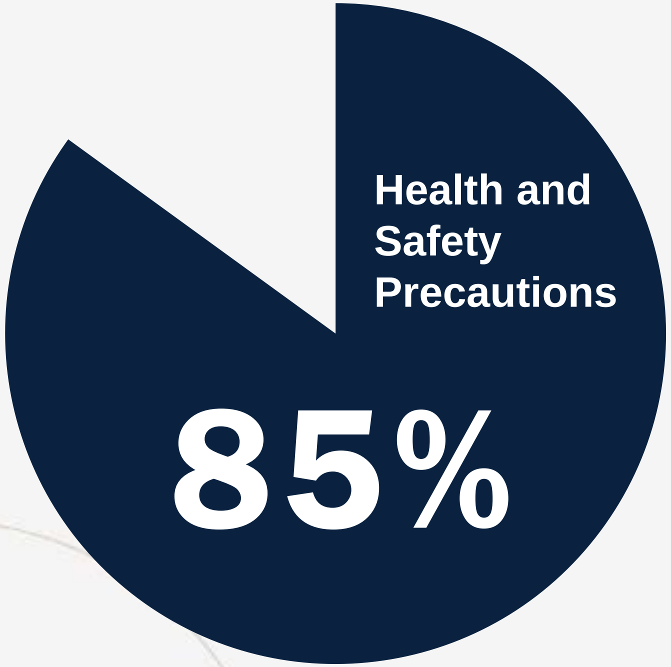




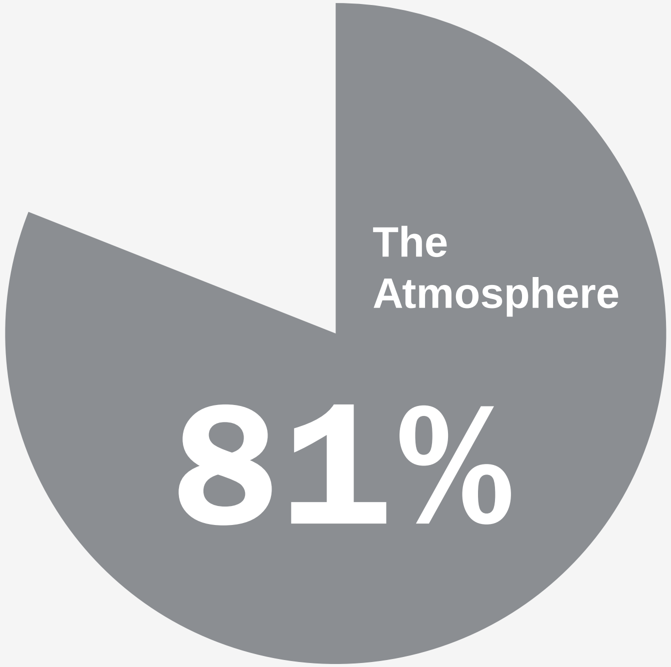
THE LEVELS OF SATISFACTION ARE CONSISTENT BY FACTOR

Satisfaction with the following factors on visits to bars/restaurants in the last 2 weeks

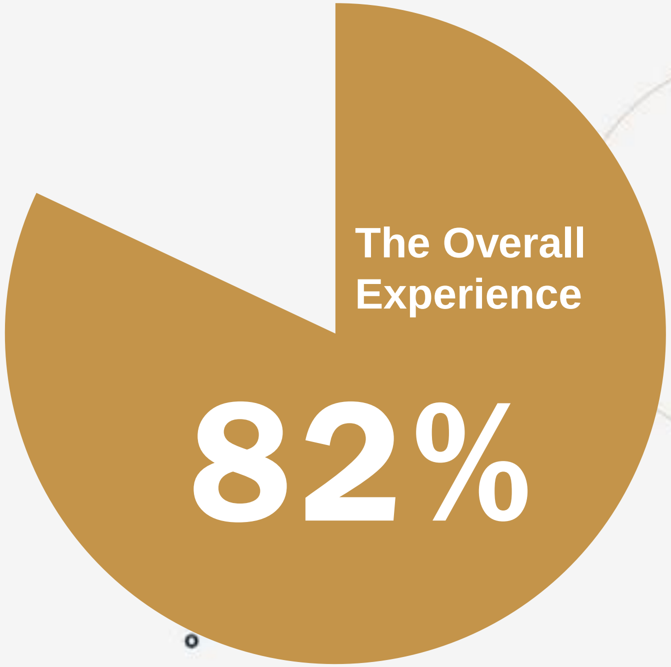
% satisfied



Vs 78% prior 2 weeks



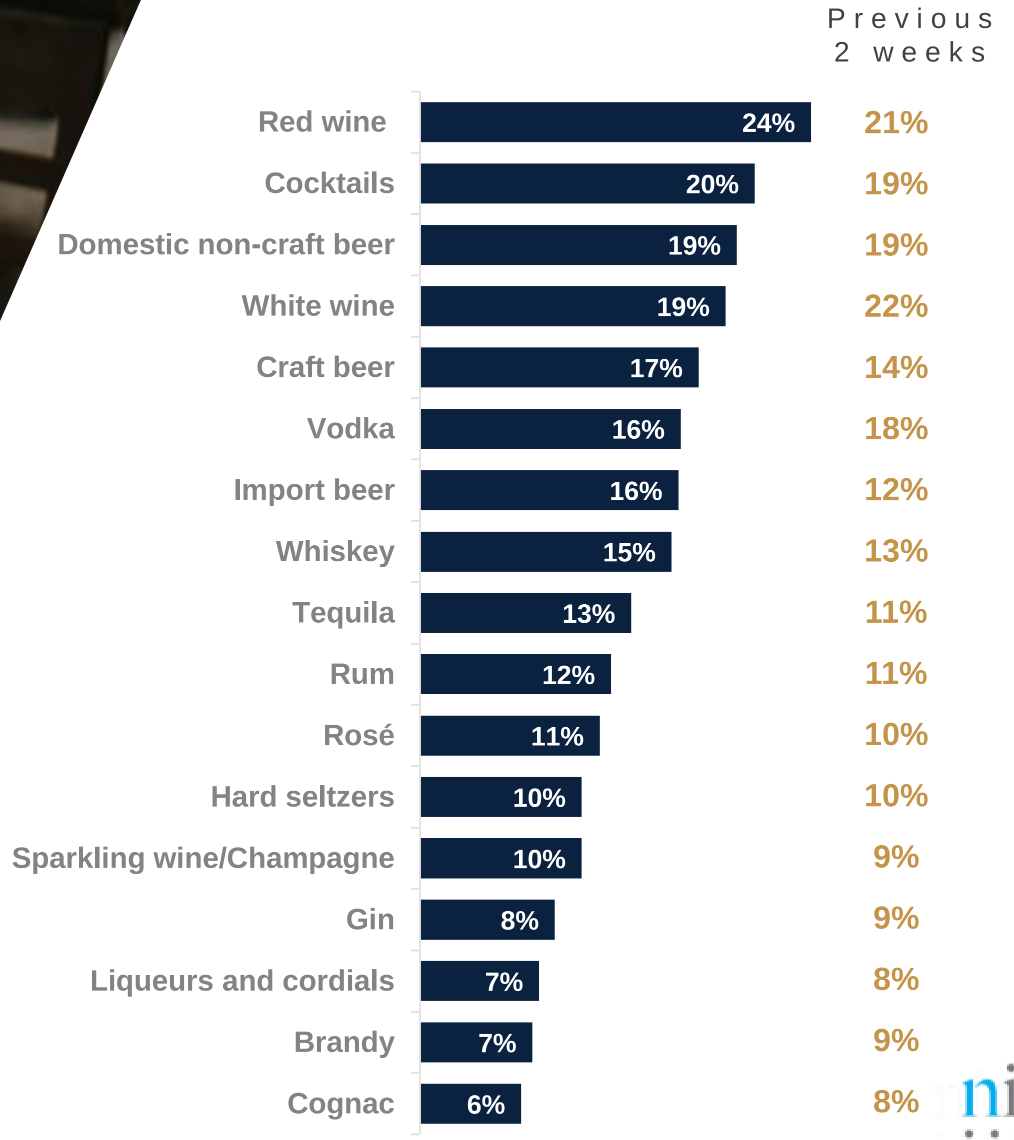
Vs 75% prior 2 weeks



Vs 79% prior 2 weeks

DRINKS WHEN RETURNING TO BARS AND RESTAURANTS

What did you drink when in bars and restaurants in past 2 weeks?



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% VISITING VENUES

	INDEPENDENT RESTAURANTS	CASUAL DINING CHAINS	FINE DINING RESTAURANTS	POLISHED CASUAL RESTAURANTS	NEIGHBORHOOD BARS
	42%	38%	21%	20%	17%
Previous 2 Weeks	34%	35%	16%	17%	18%

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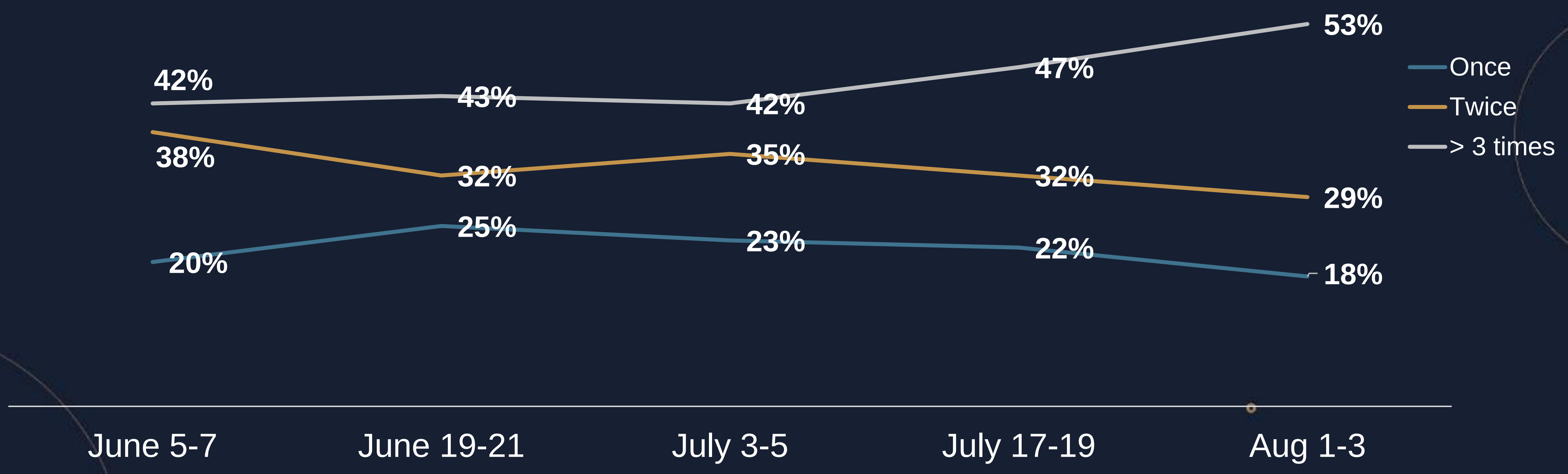
PHENOMENAL DATA. EXPERT INSIGHT.

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NGCA COVID-19 IMPACT SURVEY August 5, 2020, SAMPLE SIZE: 730

FREQUENCY OF ON PREMISE VISITS BY THOSE WHO HAVE BEEN OUT



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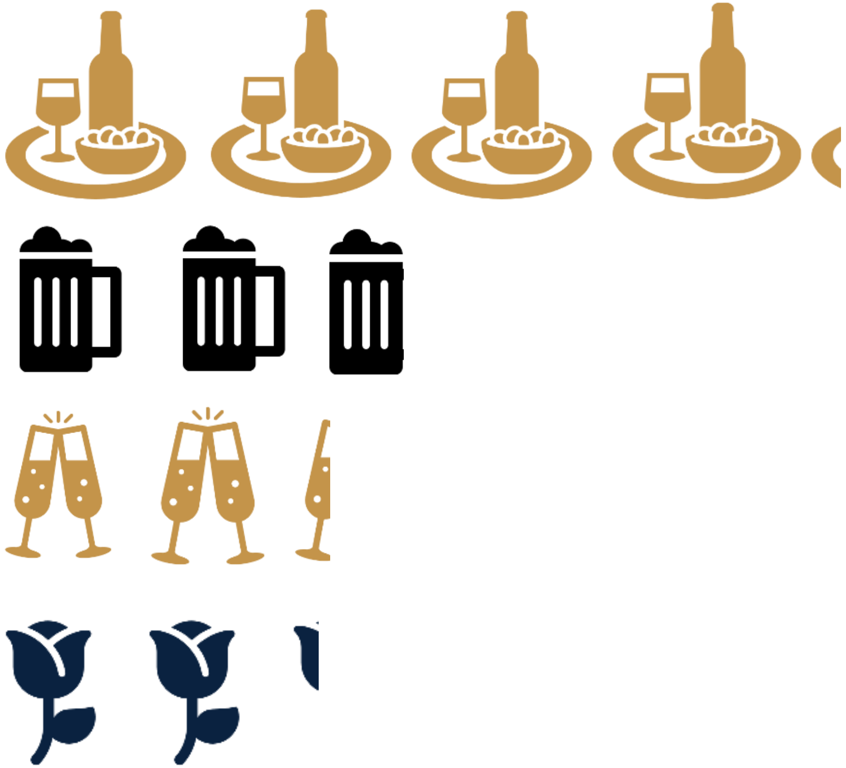
SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NGCA COVID-19 IMPACT SURVEY August 5, 2020, SAMPLE SIZE: 730

OCCASIONS FOR VISITATION

Which, if any, of the following occasions have you visited bars and restaurants for in the past 2 weeks?



	PREVIOUS SURVEY JULY 17-19
42% Drinks with food	41%
29% Relaxed/ quiet drinks	27%
22% Special occasion	21%
22% Romantic Meal	17%

WHY HAVE YOU NOT RETURNED TO THE ON PREMISE?

ANXIETY		PRECAUTIONS		EXPERIENCE	
I don’t feel safe going out at the moment	57%	I am self-isolating	26%	The atmosphere is/will not be the same as it was before COVID-19	22%
I don’t feel safe being in close proximity to strangers in these places	54%	I don’t feel comfortable with other people preparing my food/drinks	20%	My experience when visiting a bar or restaurant will not be the same as it was before	15%
It will take me a while to feel comfortable visiting these places	47%	I am concerned about my financial situation and am trying to save money	14%	I have realized I don’t need these experiences as often	13%

WHEN WILL YOU VISIT THE ON PREMISE?

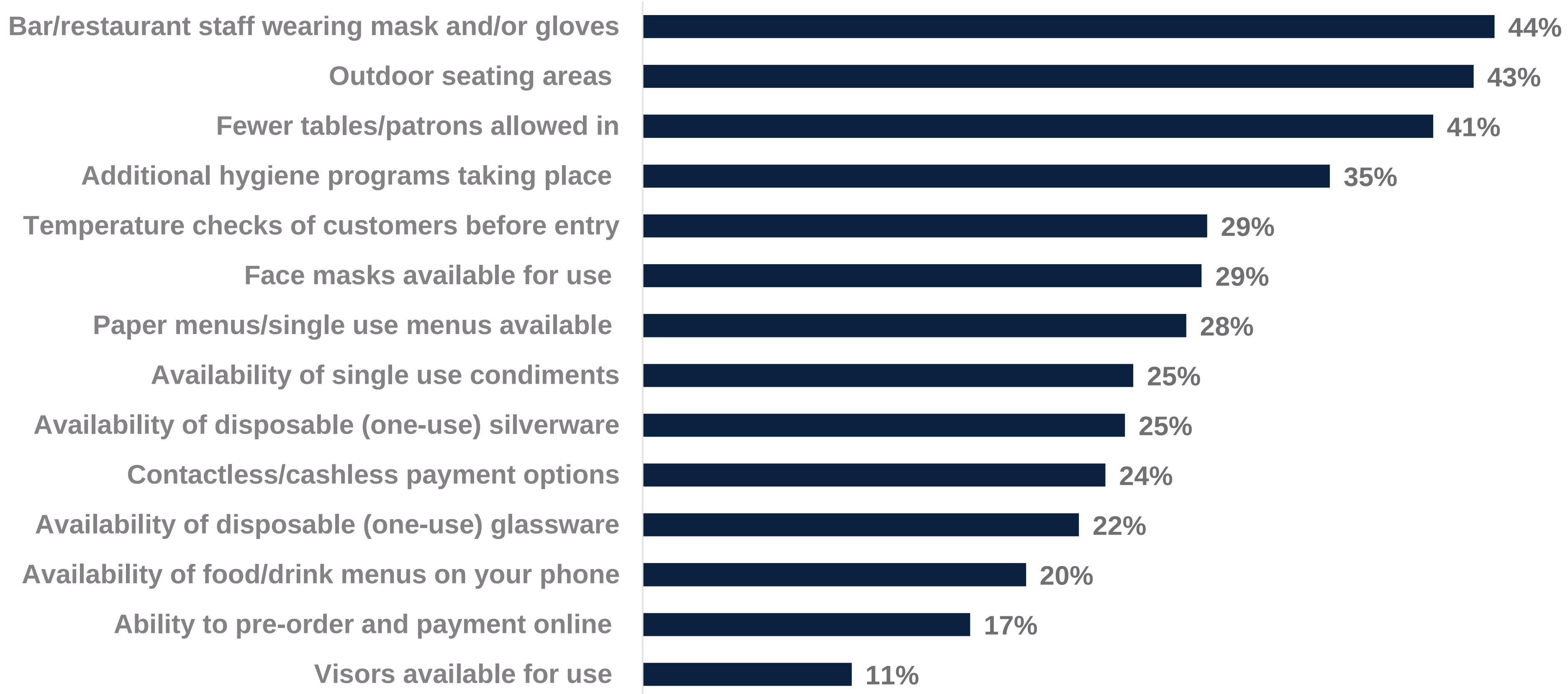
WHEN THERE IS A VACCINE / TREATMENT AVAILABLE	41%
ONCE THE THREAT OF COVID-19 IS COMPLETELY GONE	31%
WHEN THE NUMBER OF CASES FALL BELOW A CERTAIN NUMBER	19%
UNSURE	19%
ONCE THE NUMBER OF COVID-19 CASES DOES NOT INCREASE AGAIN	17%
WHEN OUTLETS HAVE DEMONSTRATED SUCCESSFUL SOCIAL DISTANCING	14%

PHENOMENAL DATA. EXPERT INSIGHT.

ENCOURAGING CONSUMERS TO VISIT

The top 3 factors that would encourage the average consumer to visit bars and restaurants are the same three factors as from issue 7,8,9 & 10. Outdoor seating, PPE for staff and social distancing.

Which of the following would encourage you to visit bars or restaurants over the coming weeks?



nielsen CGA PHENOMENAL DATA. EXPERT INSIGHT.

HOW HAS ALCOHOL CONSUMPTION CHANGED DURING COVID-19?

54%

DRINKING THE SAME AMOUNT OF ALCOHOL

27% ← **23%** JULY 22

DRINKING MORE

20% ← **19%** JULY 22

DRINKING LESS

TAKE OUT/DELIVERY

65%

HAVE ORDERED TAKE OUT/DELIVERY OF FOOD IN THE LAST 2 WEEKS

64% Plan to in the next 2 weeks

Vs 61% prior 2 weeks

13%

HAVE ORDERED TAKE OUT/DELIVERY WITH ALCOHOL IN THE LAST 2 WEEKS

16% Plan to in the next 2 weeks

Vs 11% prior 2 weeks

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PHENOMENAL DATA. EXPERT INSIGHT.

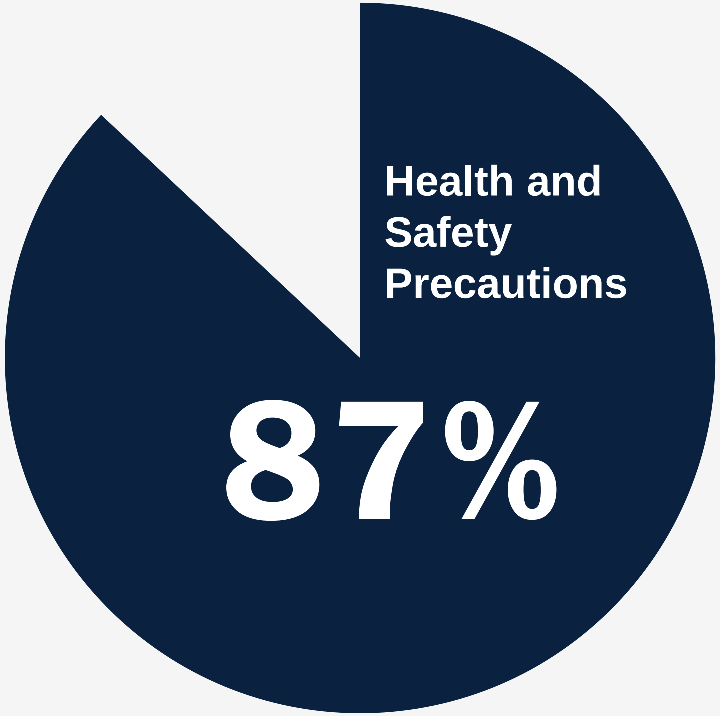
SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NGCA COVID-19 IMPACT SURVEY August 5, 2020, SAMPLE SIZE: 1,460

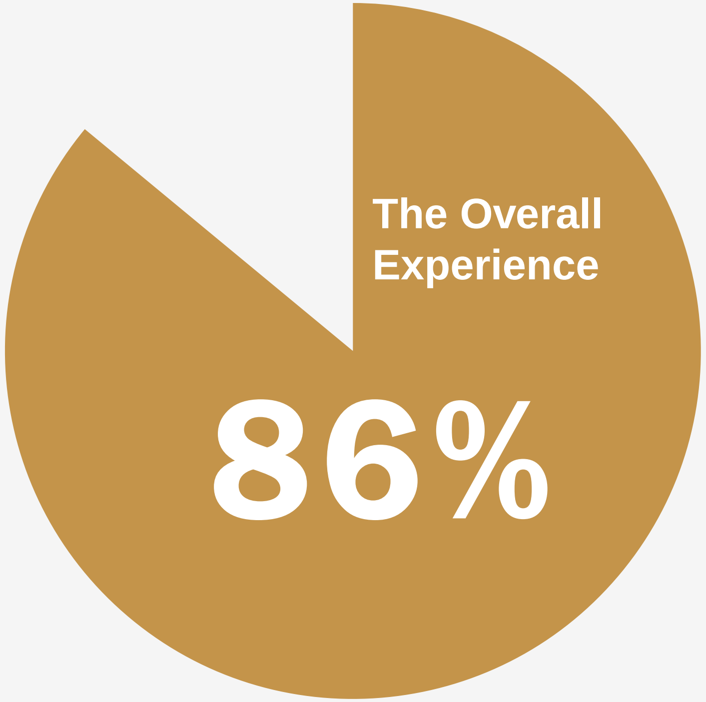
LEVELS OF SATISFACTION WITH TAKE OUT/DELIVERY ARE HIGH

Satisfaction with the following factors when ordering take out/delivery in the last 2 weeks

% satisfied



Vs 86% prior 2 weeks



Vs 83% prior 2 weeks

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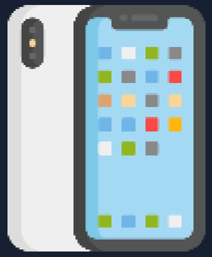
PHENOMENAL DATA. EXPERT INSIGHT.

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NGCA COVID-19 IMPACT SURVEY August 5 2020, SAMPLE SIZE: 1,046

TAKE OUT/DELIVERY

WHERE DO YOU ORDER ALCOHOL WITH DELIVERY FROM



Third party delivery apps

54%

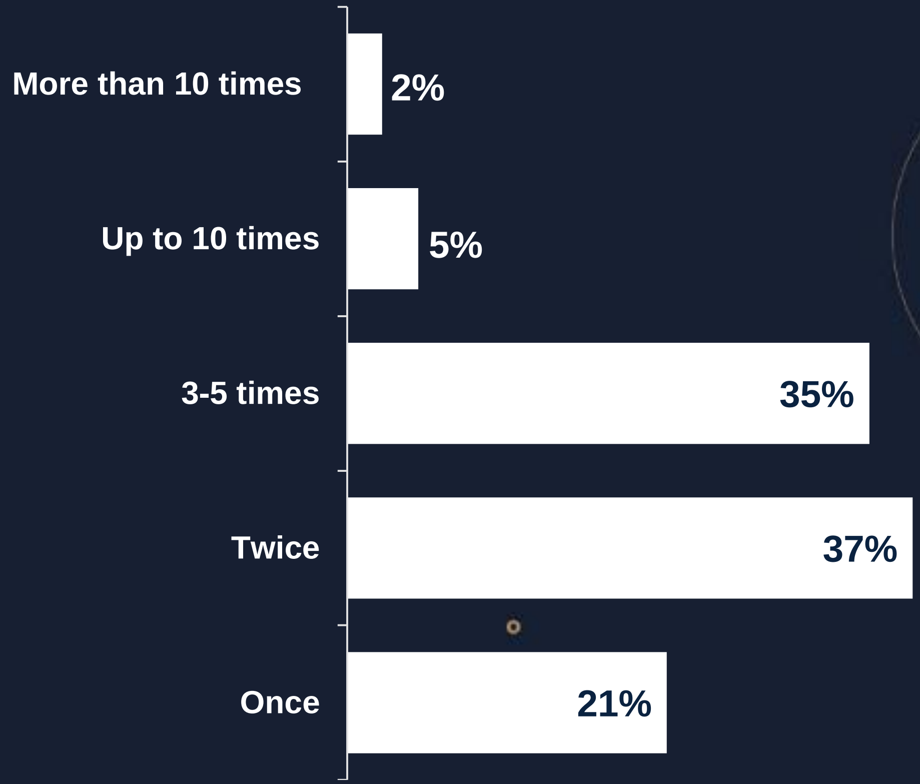
Direct from restaurants/bars

50%

Supermarket/grocery store/convenience/liquor store

42%

HOW OFTEN DO YOU ORDER A TAKE OUT/DELIVERY



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SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NGCA COVID-19 IMPACT SURVEY August 5, 2020, SAMPLE SIZE: 1,049

WHAT'S NEXT?

As per this report and ongoing, we will be refocusing our approach for the COVID-19 On Premise Impact report towards a tracker of core metrics, both from a **consumer** and **sales** perspective. This is to allow us to see how the On Premise and consumers are behaving throughout changing restrictions for bars and restaurants. We will continue to deliver these reports to you with key, actionable insights as we know how much value they are, and by moving towards a tracker we will also be able to continue to invest in our other services to ensure you have all the tools needed to support your brands in the On Premise.

If you wish to see this consumer data by more splits, such as by category drinkers, please get in touch for more information.

NCGA can support your On Premise recovery plans in many ways, over the last few months, we have created a whole set of new products which are now available to purchase, please see the next slide for more detail.

If you have any questions, please contact both matthew.crompton@nielsencga.com and amy.warren@nielsencga.com.

Look after yourselves and stay well.

The Nielsen CGA Team

NEW NIELSEN CGA SERVICES

ESSENTIAL TOOLS TO HELP YOU NAVIGATE THE NEW ON PREMISE REALITY

UNIQUE OPERATOR RESEARCH

Most of our sales come from smaller operators how can we support them upon re-opening?

Detailed insights from the Owners/C-suite of over 100 Independent bar & restaurant concepts. This study highlights the challenges, expectations & operational plans for re-opening and the specific support that they need from Suppliers.

BENEFITS TO YOU:

- ✓ Anticipate customer demand.
- ✓ Build winning tactics to support customers where they most need help inc. Assortment, Price & Promotional support.

RFP SUPPORT PACKAGES

Winning with big customers has never been more important. What unique insights do I have to share?

Combining best-in-class, banner specific, insights with unique sales data and global On Premise channel expertise. RFP packages enable one-stop support for achieving clear commercial objectives in important RFP meetings. Most major On and Off Premise chains are included.

BENEFITS TO YOU

- ✓ Take something relevant and unique to your largest customers when they most need your help. Build real loyalty by adding real value.
- ✓ Flexible, low-cost packages & terms

ASSORTMENT STRATEGY

The majority of On Premise accounts are planning on reducing assortment. How can I protect my space?

Comprehensive Operator research: the majority of accounts will look to reduce assortment upon re-opening. Data-based insights are also deemed as essential and suppliers will be expected to add value to gain or protect listings. NCGA has built the only Assortment model for the On Premise in America.

BENEFITS TO YOU

- ✓ Protect your business based on data
- ✓ Help your customers make better decisions
- ✓ Give your sales team the tools to succeed in a very challenging market

WEEKLY CLIP TRACKERS

Tracking / responding to low level, sub-market, sales performance is now crucial.

NCGA's unique Store level data reveal sales dynamics of brands by week, day or even day part. Competitive insights showing brand level velocity, unit sales, check value and pricing cn feed directly into market playbooks and sales stories

BENEFITS TO YOU

- ✓ Essential market performance
- ✓ Optimally allocate resources to high-potential market pockets
- ✓ Identify & action competitive threats quickly

HARD SELTZER STRATEGY REPORT

Hard Seltzer is hitting every brand in every category. How can we respond?

A first-of-it's-kind category report combining detailed consumer research and unique sales data to profile the Hard Seltzer consumer. Crucially this study identifies the specific brands and categories losing share to Hard Seltzer.

BENEFITS TO YOU

- ✓ All insights available through the lens of large Retail Banner
- ✓ A genuine unique study enabling offensive or defensive strategy

METHODOLOGY

CONSUMER RESEARCH

NCGA have surveyed 1,400 LDA On-Premise consumers across four key states (Florida, Texas, New York & California)

An equal number of respondents were collected from each state, with each nationally representative on age and gender.

Fieldwork was 08/01/20 to 08/03/20.

Numbers in deck refer to consumers who have had an alcoholic drink in the last 3 months.