

# COVID-19

## ON PREMISE IMPACT REPORT

*Nielsen CGA, January 7 2021*



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PHENOMENAL DATA. EXPERT INSIGHT.



# INTRODUCTION

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Nielsen CGA's sole focus is to measure, understand and consult on the On Premise channel. In these testing times, this has never been more important. We have conducted research in response to topics you, our valued client base, raised as important and shall continue to undertake studies on which topics are of the utmost concern.

In this Issue we are evaluating the impact on velocity in the On Premise. Understanding the different dynamics across states as the situation diverges and evolves, and impact that this has on On Premise trends.

This report will cover On Premise sales trends from our BeverageTrak dataset up to week ending January 2 2021. |

# SUMMARY

- Across the US, 68% of states have Bars open indoors to some capacity (either completely, or with capacity measures in place) and 80% of states have Restaurants open indoors to some capacity.
- On Premise velocity in outlets that are currently operational has increased +277% in the week of January 2 v March 28 when the On Premise shutdown initially commenced, velocity in the latest week is down -18% compared to January 4 2020.
- Value velocity is at its best since March 7 2020, this is largely down to food delivery sales across the New Year period
- Average outlet \$ sales (velocity) are up +44% in the latest week (January 2 v December 26) across the US.
- Florida remains the strongest state of those analyzed benchmarked against March 28, with velocity up +472%. Velocity is also only -5% below that to January 4 2020.
- Growth in Illinois (+8%), is driven by performance in Chicago, up +21% in the week to January 2.
- California has experienced two consecutive weeks of growth across the board. In the week to January 2 Los Angeles (+13%), San Diego (+8%) and San Francisco (+5%) all experience significant growth vs December 26
- Texas and Florida perform similarly when benchmarked against performance a year ago, with velocity in outlets that are operational being down only -5% in Florida and -4% in Texas January 2 2021 v January 4 2020.
- Florida experiences the strongest growth vs the previous week of states analyzed, up +38%, driven by performance across the board, with Miami, Orlando and Tampa up +44%, +33% and +24% respectively, and the rest of the state up +34%.



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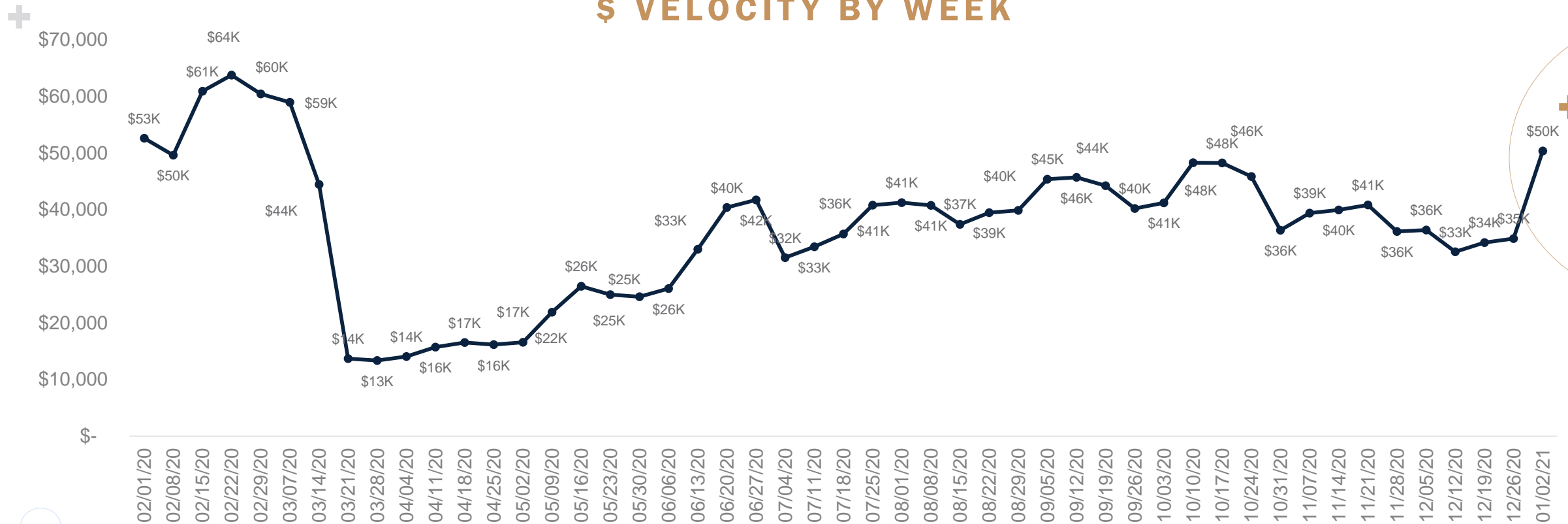
PHENOMENAL DATA. EXPERT INSIGHT.



# TOTAL US MARKET SALES: RECAP

On Premise velocity in outlets currently trading is **-18%** lower than the same time last year in the week to January 2, representing growth of **+277%** since March 28 when the On Premise shutdown commenced. Average check value also remains strong against March 28, up **+74%**. Value velocity is at its best since March 7 2020.

## \$ VELOCITY BY WEEK



# OPENING STAGES: BARS

## % OF STATES IN STAGE

STAGE 1: Completely Open  
(Example: Florida)

24%

STAGE 2: Open but with  
capacity measures in place  
(Example: Delaware)

44%

STAGE 3: Outdoor Only Open  
(Example: District of Columbia)

18%

STAGE 4: Closed – Delivery  
Only (Example: California)

14%





## OPENING STAGES: RESTAURANTS

### % OF STATES IN STAGE

**STAGE 1: Completely Open**  
(Example: Florida)

**26%**

**STAGE 2: Open but with capacity measures in place**  
(Example: Delaware)

**54%**

**STAGE 3: Outdoor Only Open**  
(Example: District of Columbia)

**14%**

**STAGE 4: Closed – Delivery Only**  
(Example: California)

**6%**

*\*State breakdown included in appendix*

SOURCE: FODORS.COM

# BEST AND WORST PERFORMERS

\$ VELOCITY % CHG W/E JANUARY 2 2021 v JANUARY 4 2020

## TOP 10 PERFORMERS

<b>Alabama</b>	<b>South Carolina</b>	<b>Georgia</b>
<b>+15%</b>	<b>+5%</b>	<b>+1%</b>
<b>Arizona</b>	<b>Kentucky</b>	
<b>0%</b>	<b>0%</b>	
<b>Texas</b>	<b>Florida</b>	<b>Indiana</b>
<b>-4%</b>	<b>-5%</b>	<b>-5%</b>
<b>North Carolina</b>	<b>Tennessee</b>	
<b>-8%</b>	<b>-9%</b>	

## BOTTOM 10 PERFORMERS

<b>Minnesota</b>	<b>Washington</b>	
<b>-66%</b>	<b>-65%</b>	
<b>California</b>	<b>District of Columbia</b>	<b>Pennsylvania</b>
<b>-62%</b>	<b>-60%</b>	<b>-58%</b>
<b>Oregon</b>	<b>Michigan</b>	
<b>-56%</b>	<b>-51%</b>	
<b>New York</b>	<b>Illinois</b>	<b>New Mexico</b>
<b>-47%</b>	<b>-46%</b>	<b>-44%</b>

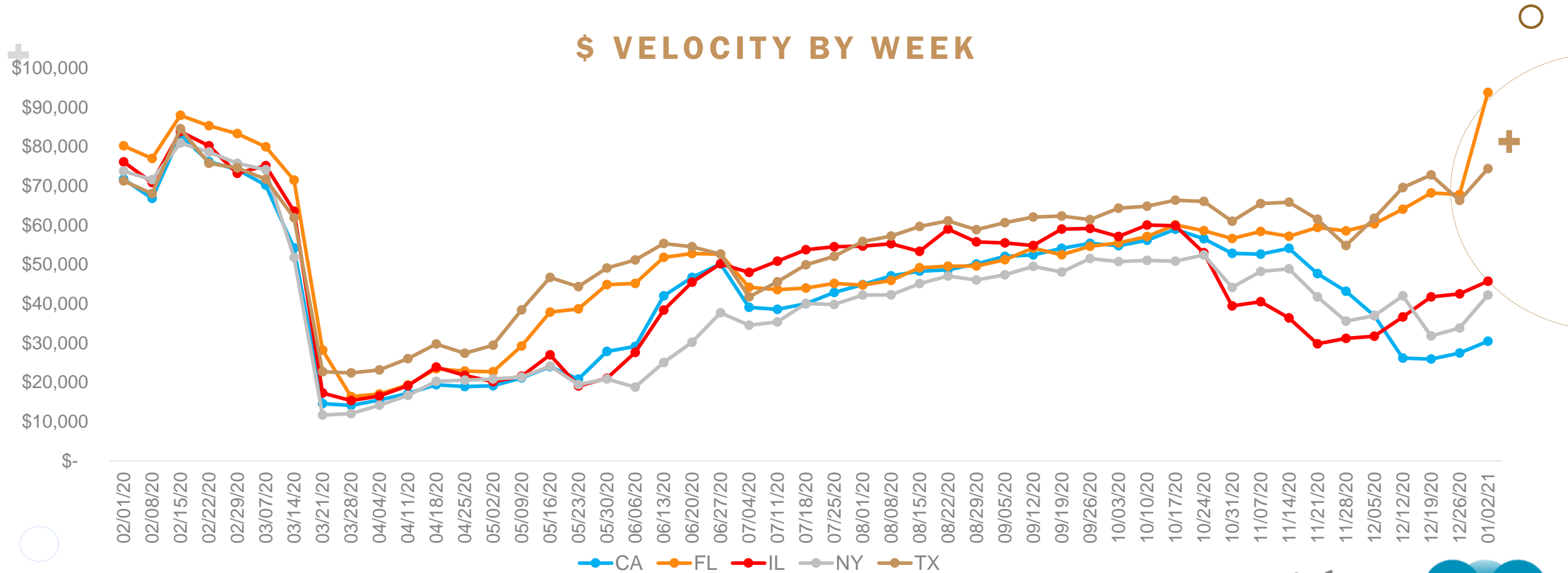


# KEY STATE MARKET SALES: RECAP

All states have experienced velocities at least **+100%** higher, in outlets that are operational, than those reported in the week to March 28 when On Premise shutdown initially commenced.

All states experience growth in the week to January 2 2021 due to strong new years and the previous week including Christmas.

## \$ VELOCITY BY WEEK

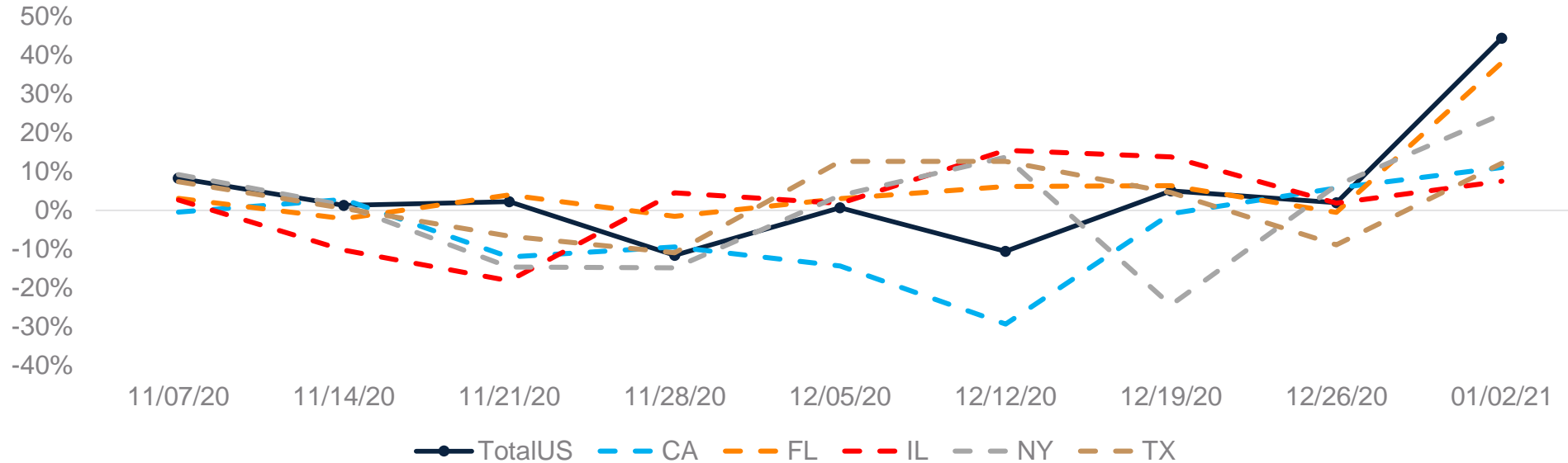




# TOTAL MARKET SALES

On Premise velocity in outlets currently trading is **-18%** lower than the same time last year in the week to January 2, this does however represent growth of **+277%** since March 28. Average check value also remains strong against March 28, up **+74%**.

## \$ VELOCITY % CHG - WEEK ON WEEK





## NEW YORK STATE

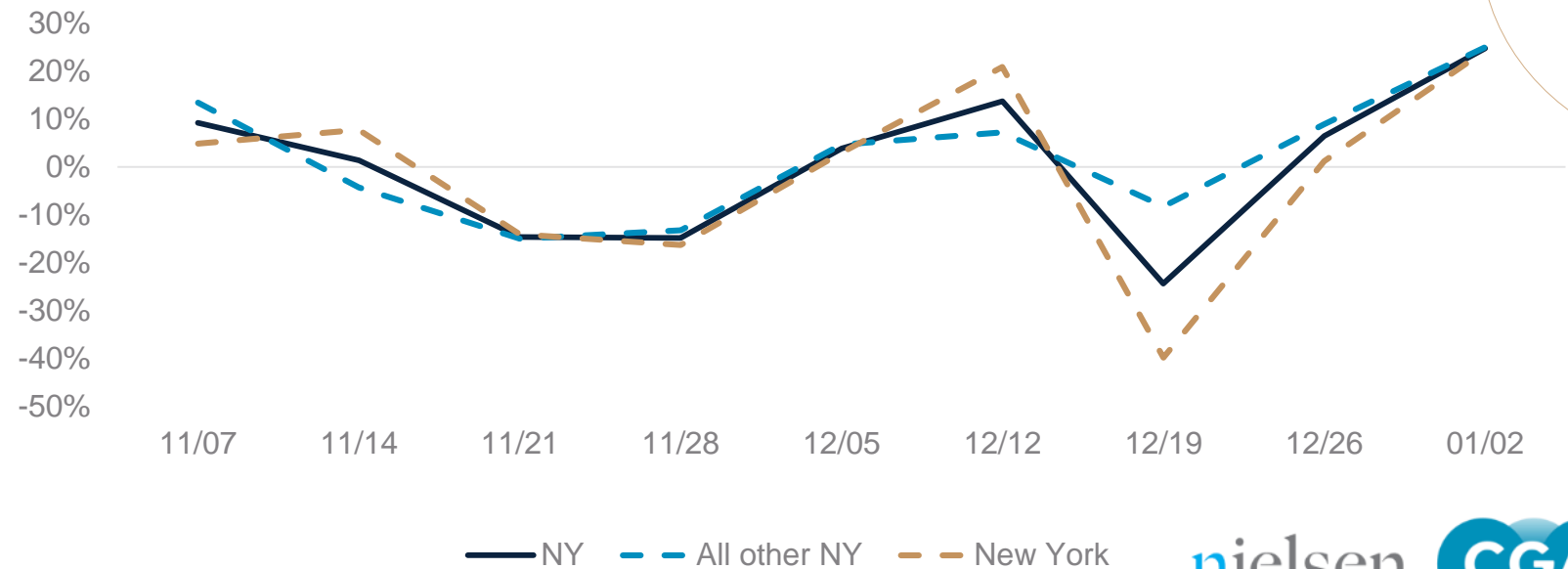
**-47%**

v January 4 2020

**+25%**

v December 26 2020

**\$ VELOCITY % CHG - WEEK ON WEEK**



SOURCE: BEVERAGETRAK

# ILLINOIS

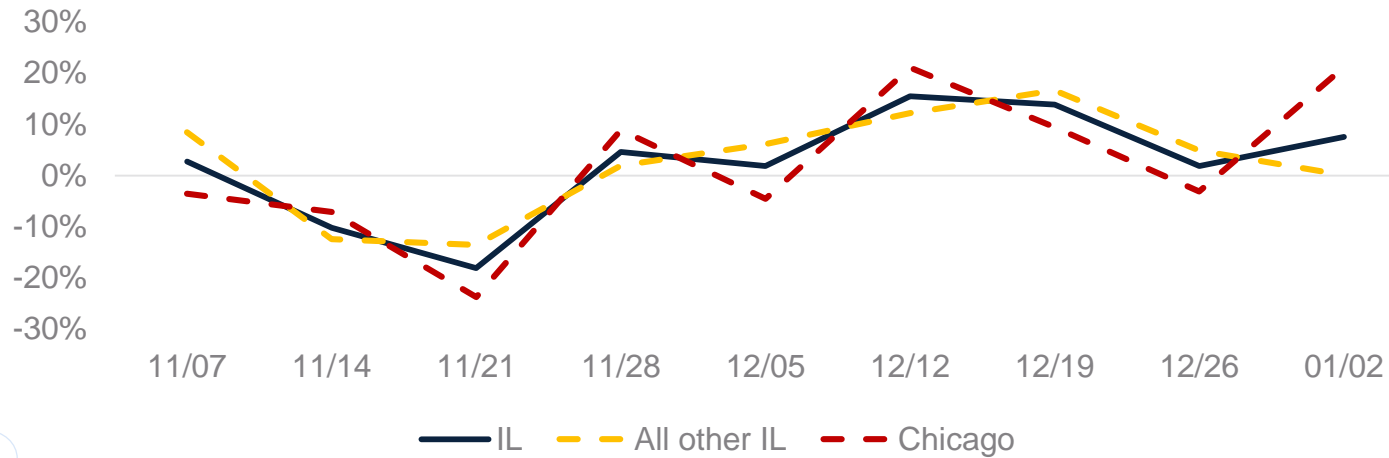
**-46%**

v January 4 2020

**+8%**

v December 26 2020

## \$ VELOCITY % CHG - WEEK ON WEEK



— IL    - - - All other IL    - - - Chicago

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# CALIFORNIA

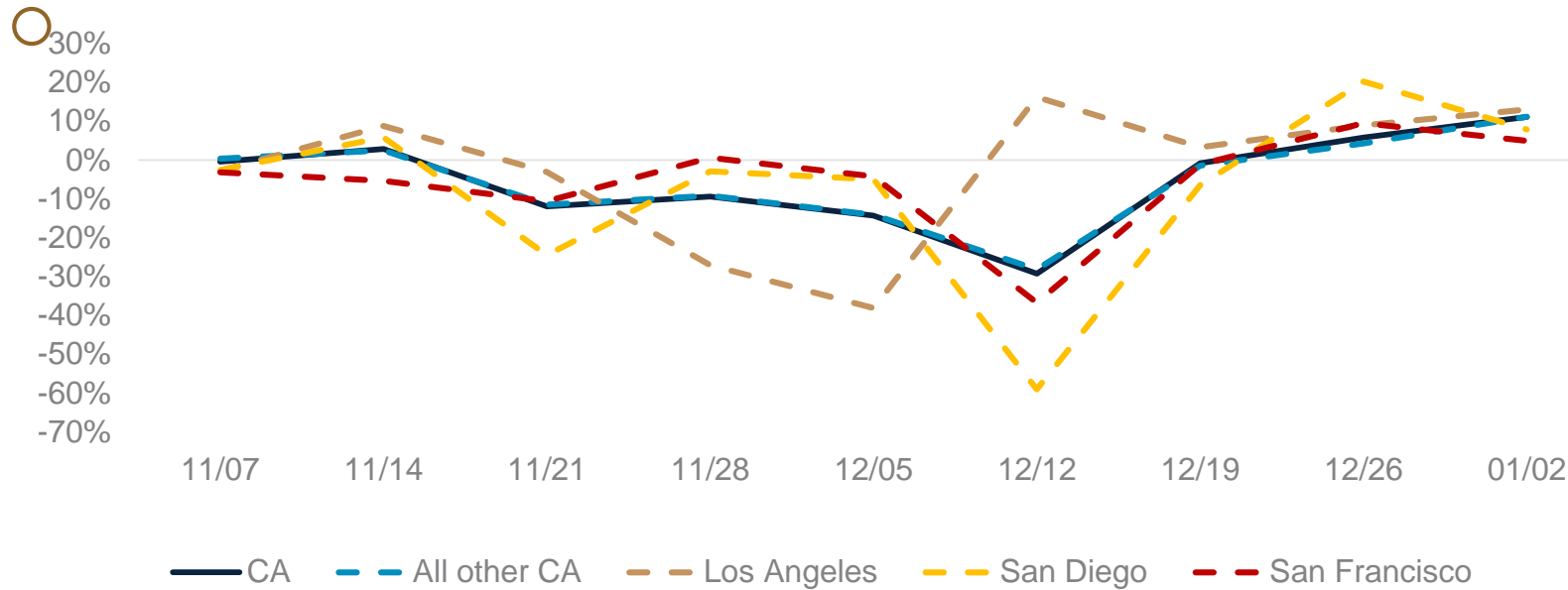
# -62%

v January 4 2020

# +11%

v December 26 2020

## \$ VELOCITY % CHG - WEEK ON WEEK



— CA    - - All other CA    - - Los Angeles    - - San Diego    - - San Francisco

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# TEXAS

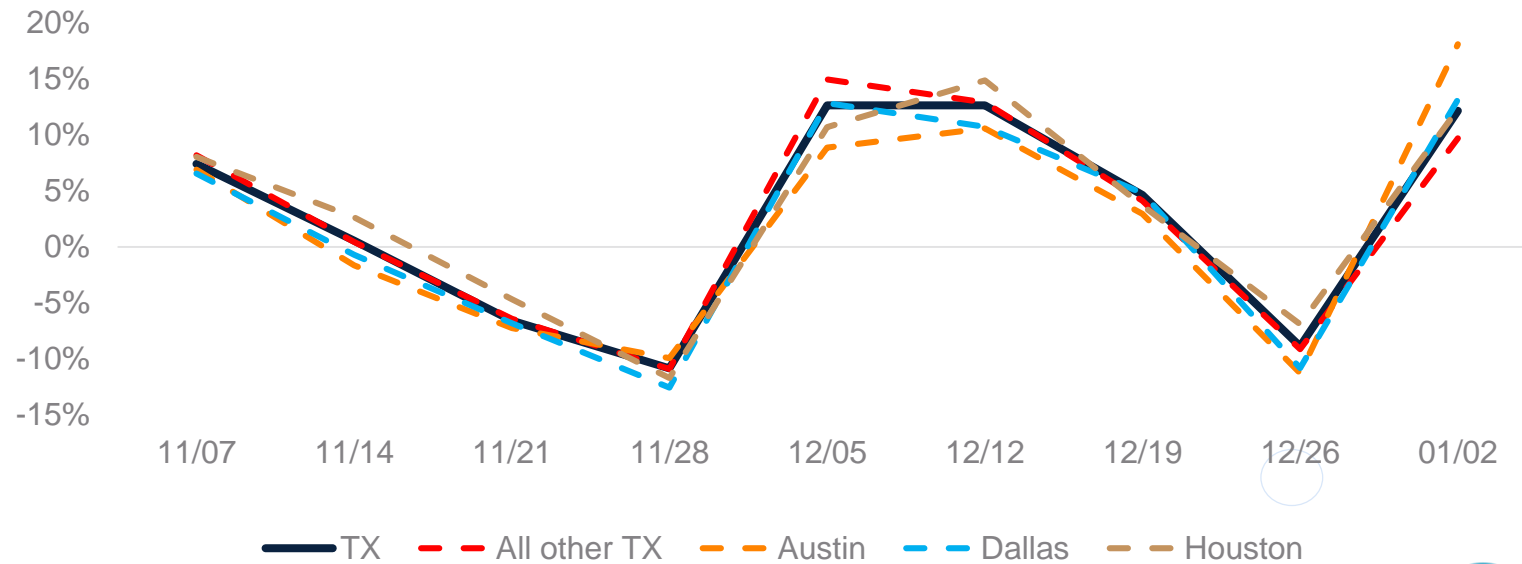
**-4%**

v January 4 2020

**+12%**

v December 26 2020

## \$ VELOCITY % CHG - WEEK ON WEEK





# FLORIDA

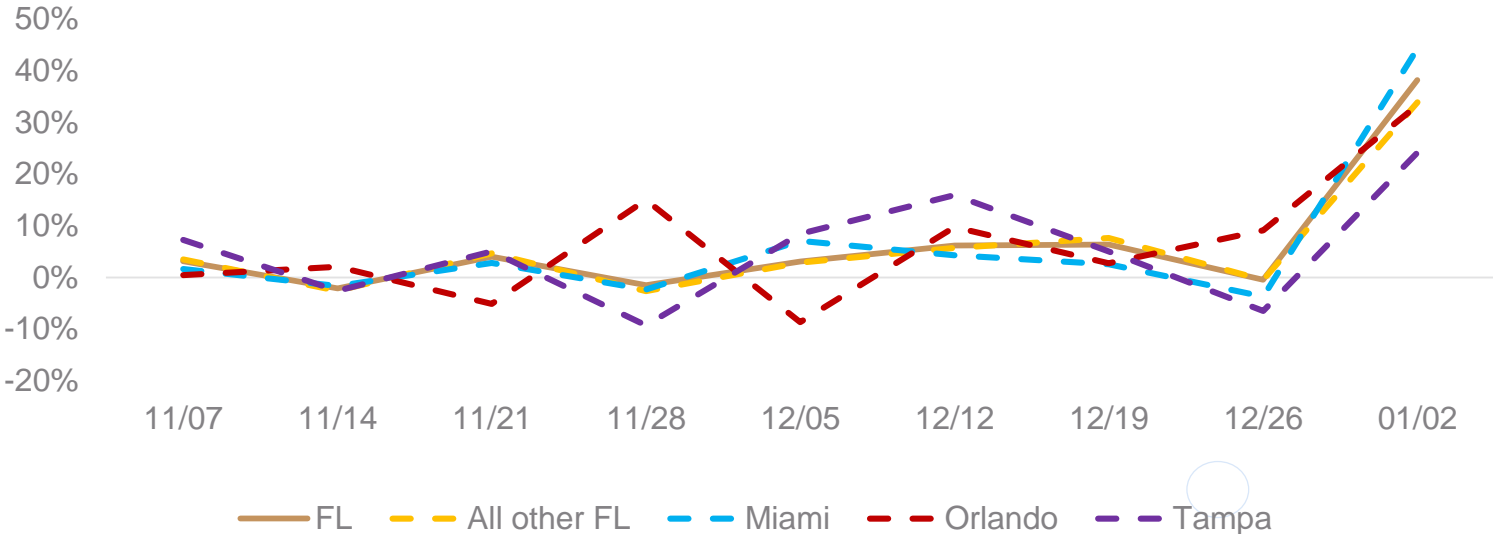
## -5%

v January 4 2020

## +38%

v December 26 2020

### \$ VELOCITY % CHG - WEEK ON WEEK

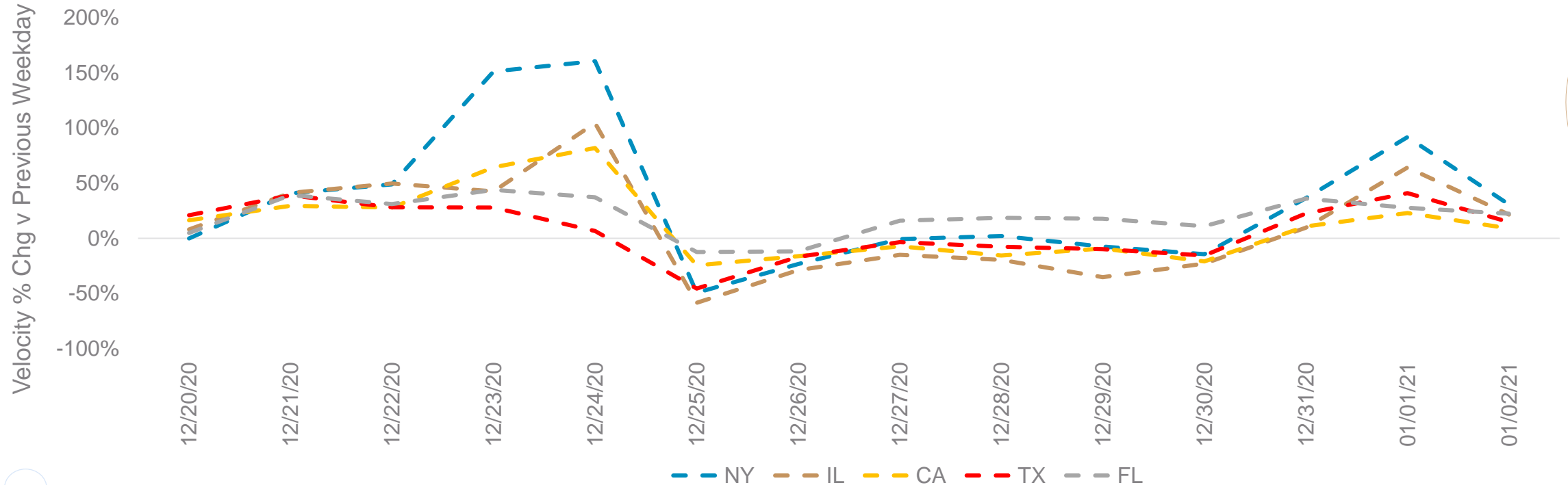


SOURCE: BEVERAGETRAK

# DAILY VELOCITY

All markets experienced strong value velocity growth against the previous week pre-Christmas going into the New Year.

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



Velocity % Chg v Previous Weekday



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



# 2021 STRATEGY

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## TALK TO US ABOUT YOUR 2021 STRATEGY

CGA's defining purpose is to build unique services which help our clients to offer better solutions to the trade, to sell more product and to more easily navigate a difficult and complex channel. 2021 brings many opportunities for the channel and for suppliers, retailers and distributors alike, as the market recovers from a challenging year.

To continue to deliver the most effective solutions, we want to stay aligned with your priorities and business challenges, to ensure our solutions are designed to add the most value possible to you and your teams. We'll be reaching out to you over the next month to talk through your plans and our new services to demonstrate how we can best help.





# NIELSEN CGA SERVICES

Essential tools to help you navigate the new On Premise reality

## State Performance Tracker



*Track the top line performance of 40 states for just \$1k a month!*

## Channel Strategy



*Channel Strategy is back for 2021 – how will you win in casinos, stadiums and other channels when the market fully re-opens?*

## International Expansion



*Following the huge success of OPUS in the US and Canada – this service will now be available in Mexico and Brazil*

## BeverageTrak



*Tracking & responding to low level, sub-market, sales performance is now crucial*

## PurchaseTrak



*An On Premise tracking tool designed solely for regional sale teams*

## Retail Solutions



*Did you know that NCGA has an entire retail division?*





# METHODOLOGY

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## BEVERAGETRAK

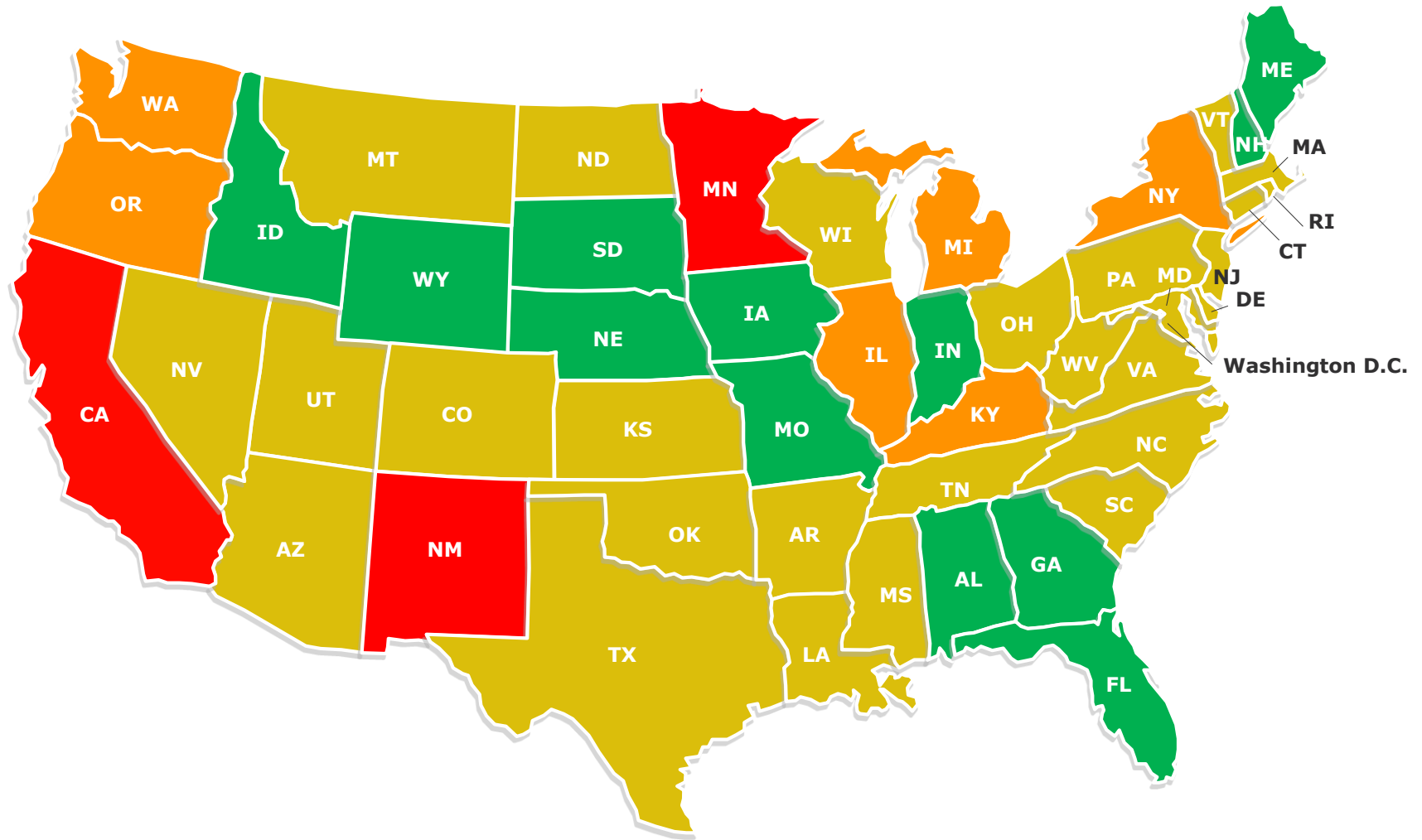
POWERED BY CHECK-LEVEL INSIGHTS POOL (CLIP)

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

# OPENING STAGES: RESTAURANTS

-  **STAGE 1: Completely Open**  
(eg Florida)
-  **STAGE 2: Open but with capacity measures in place**  
(eg Delaware)
-  **STAGE 3: Outdoor Only Open**  
(eg District of Columbia)
-  **STAGE 4: Closed – Delivery Only**  
(eg California)



# OPENING STAGES: BARS

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