COVID-19 IMPACT REPORT

NIELSEN CGA, Nov 19 2020

INTRODUCTION

With no direct route away from the impact of COVID-19, the On Premise is readying itself for the winter months. Venues are having to adapt rapidly to continually changing regulations and now prepare for a new seasonal challenge alongside other levels of unknown.

With the holiday season approaching and states questioning how these will be celebrated and the impact of political changes, it is more crucial than ever to understand the mindset of the On Premise consumer.

Nielsen CGA gathers consumer insights and continual statistics to support you in making informed decisions. What would be the greatest comfort to your consumers, what are they willing to take a risk on and what would encourage them to choose your venue or brands. Listening to feedback from industry experts and client questions, we shape our work to provide you with value added data that can highlight where the current opportunities lie and what consumers are planning for the future.

We offer a suite of products which can reach into different areas or research and if you have broader business questions please reach out to speak with us for support. 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 (**Nov 13- 16**) we surveyed **1,508** 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

- For the first time in several months we see a significant increase in the number of consumers who have gone out to the On Premise since it began reopening. Now 54% have been out to eat and 16% to drink.
- This increase in visitation is particularly evident in Texas and Florida. Florida has now seen 62% of consumers return to the On Premise and 57% in Texas.
- The 21-34 age group are the greatest contributors to this increase in visitation, with further contribution from the 55+ age group
- Despite this increase, only 44% are planning to go out to eat in the next two weeks
- A combined food and drink occasion still remains the top occasion for returning to the On Premise, showing the importance of being able to sell both in an outlet
- Promisingly we have found that of the consumers who have returned to the On Premise, these were already more frequent visitors. While those who have not returned were generally visiting bars/restaurants less frequently anyway. Positively this suggests the most valuable (by number of visits) consumers have braved returning and are therefore likely to keep going out. This is supported by the numbers who say they have been out more than three times since the On Premise started reopening (60%)
- Despite many changes and iterations of restrictions across the US, the factors consumers want to see to be encouraged into the On Premise have stayed fairly consistent. PPE and hygiene are still the top concerns.
- Consumers are very likely to be tipping higher in venues than pre COVID-19 (63% agree they are doing this) and a good proportion are willing to treat themselves in venues more, spending more money and trading up more to premium drinks. This shows that despite lower frequency of visits, consumers may be compensating by having higher spends.
- The value of the On Premise is highlighted in the numbers agreeing that bars and restaurants are a place to connect with others, treat yourself and celebrate. These are key qualities the On Premise captures

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

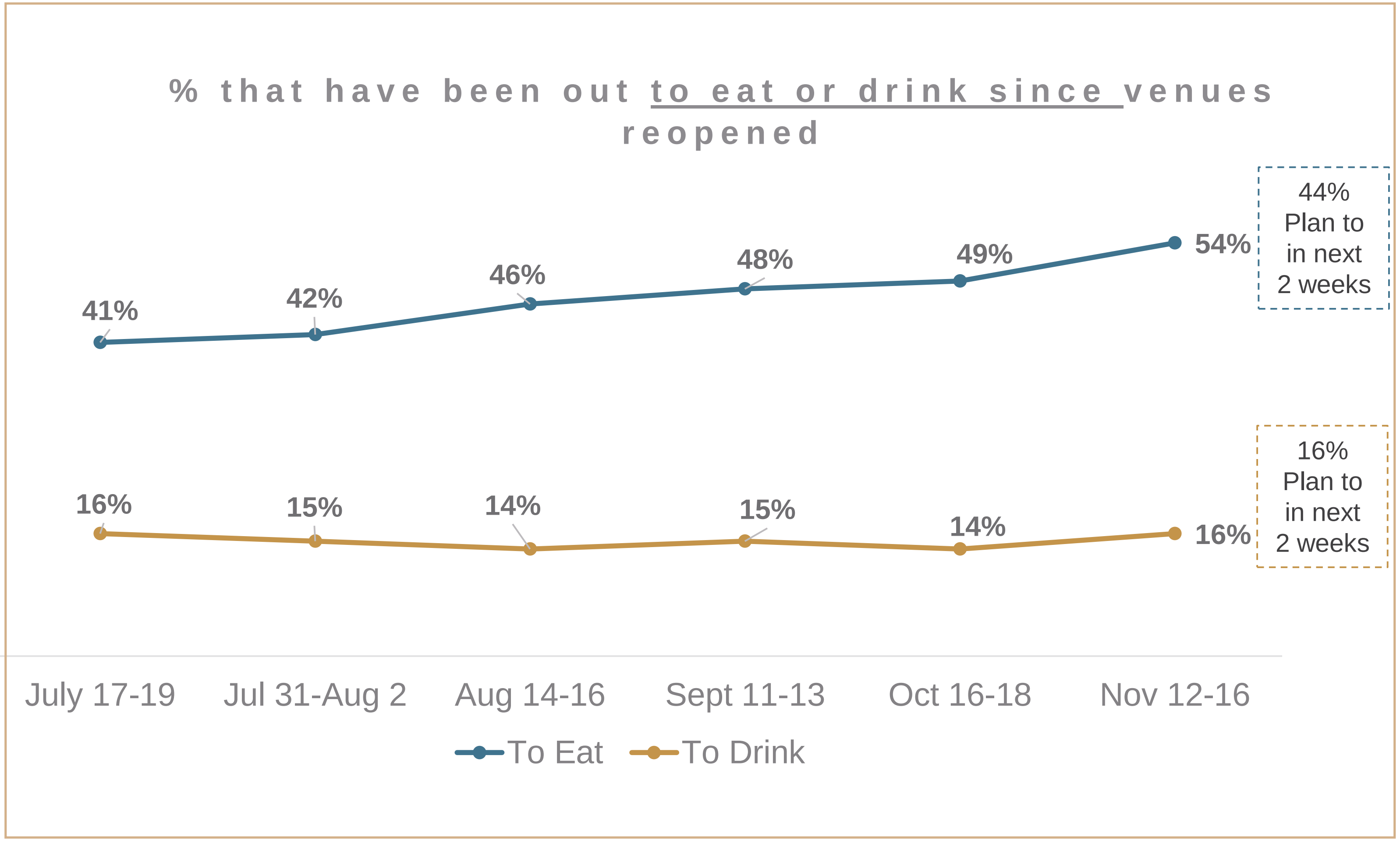
RETURNING TO VENUES

54%

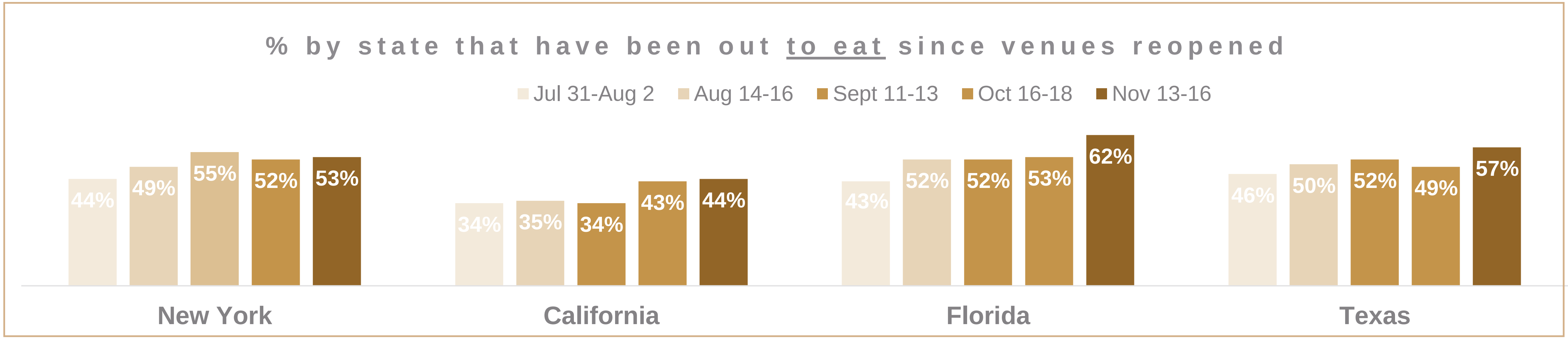
CONSUMERS HAVE BEEN OUT TO EAT

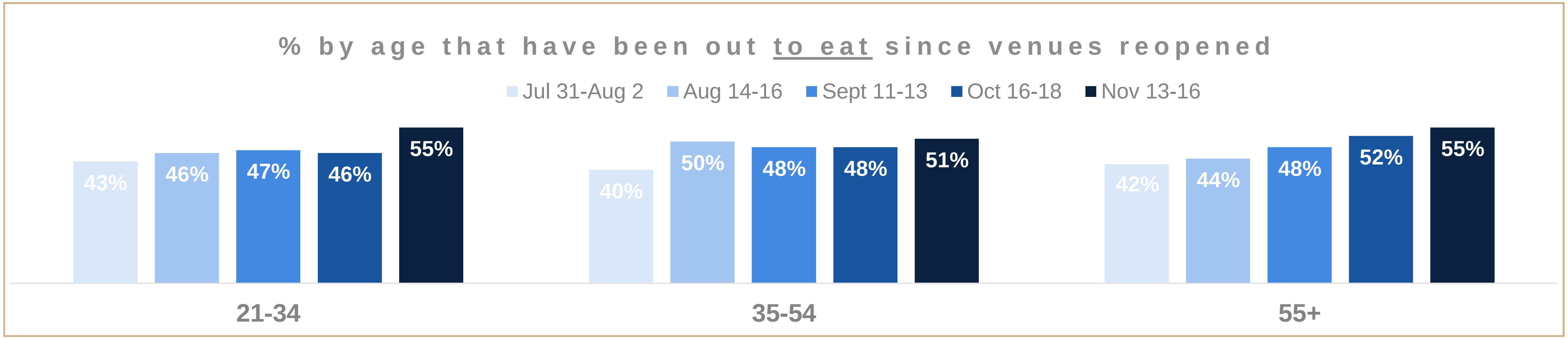
16%

CONSUMERS HAVE BEEN OUT TO DRINK



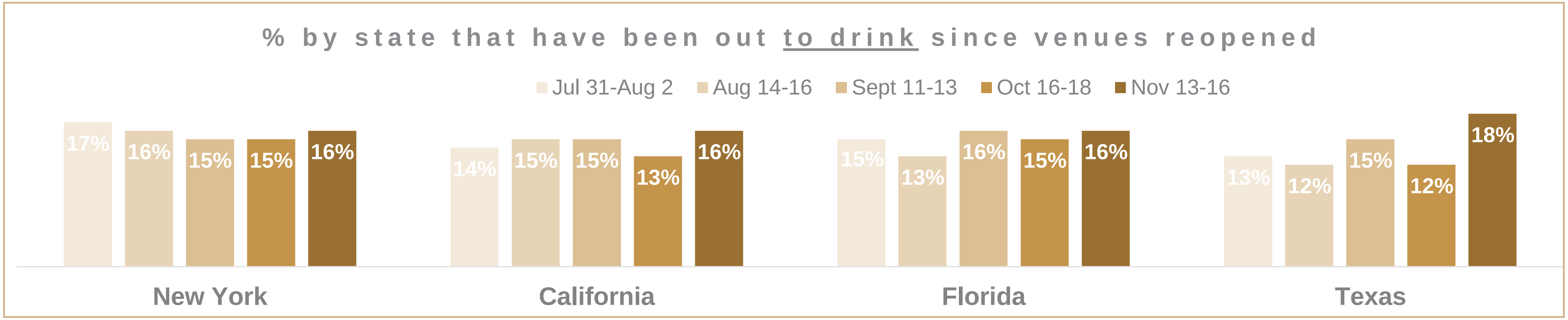
RETURNING TO VENUES - TO EAT DEMOS

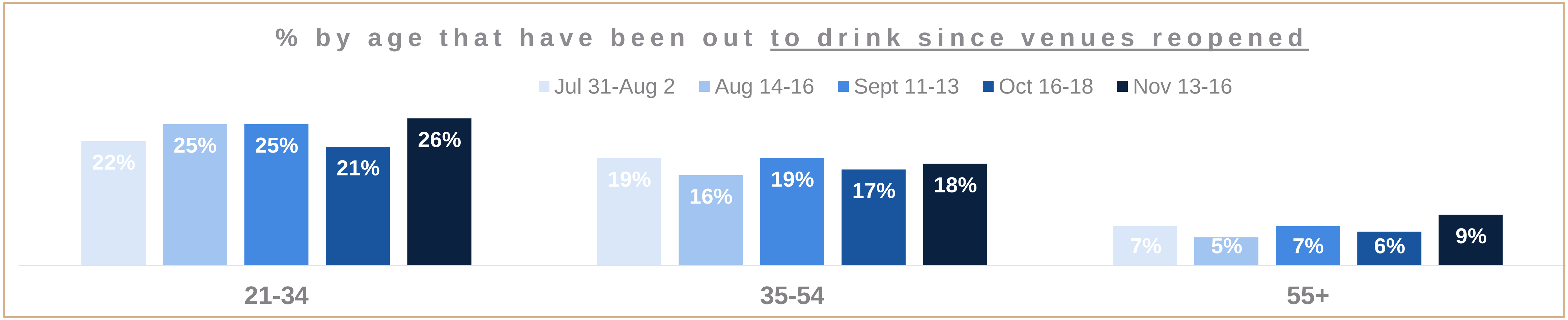




nielsen CGA
PHENOMENAL DATA. EXPERT INSIGHT.

RETURNING TO VENUES - TO DRINK DEMOS





% THAT VISITED BARS & RESTAURANTS AT LEAST ONCE A WEEK PRE COVID-19

Those who have returned to the On Premise were more frequent visitors pre COVID-19 impact.

Of those who have returned to the On Premise

75%

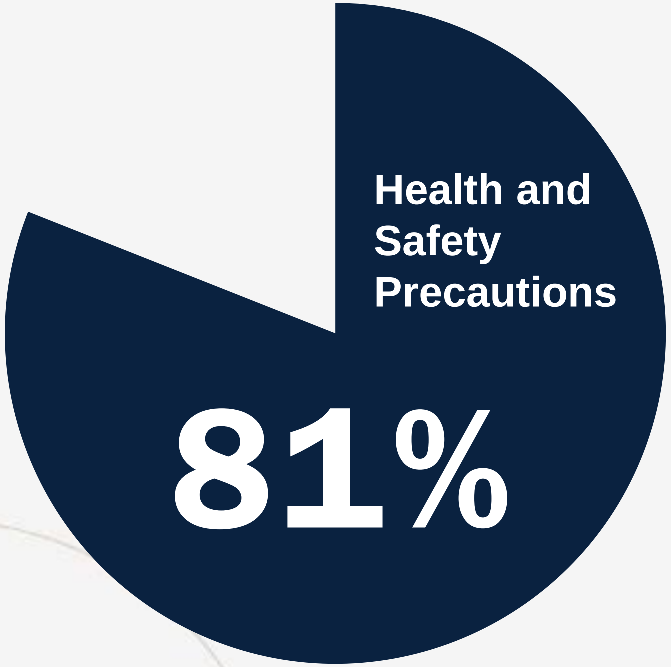
Of those who have not yet returned to the On Premise

62%

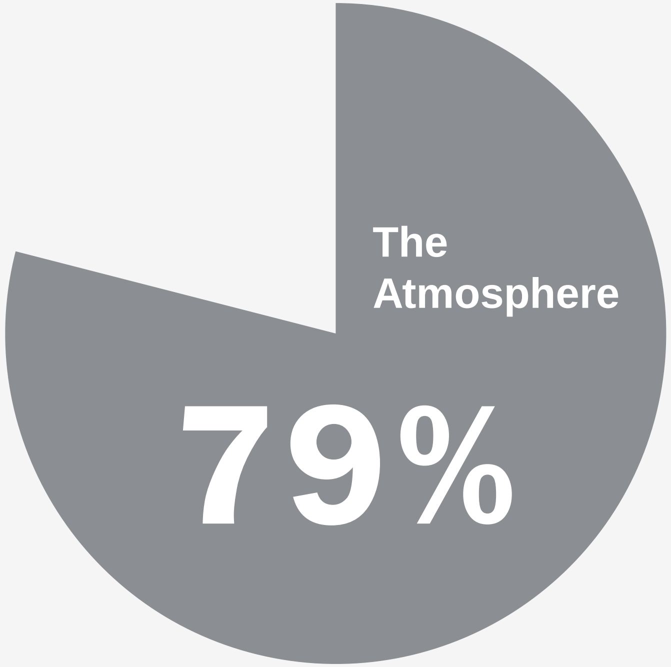
THE LEVELS OF SATISFACTION ARE EVEN BY FACTOR

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

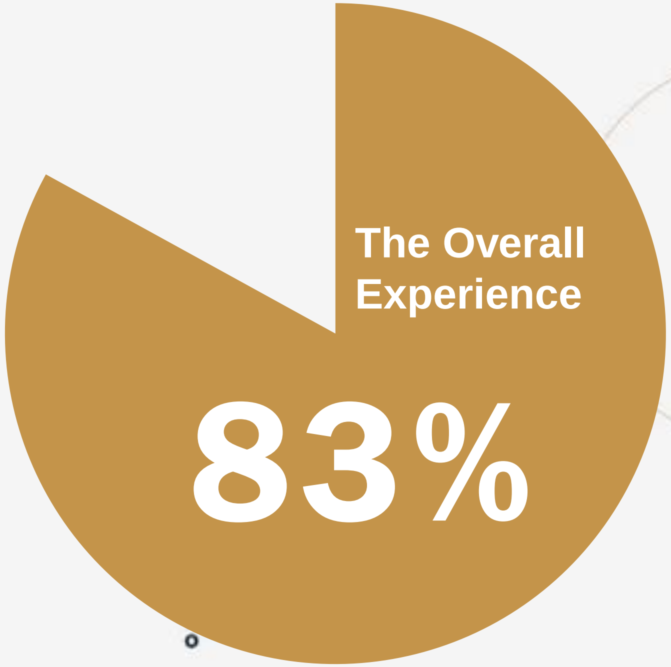
% satisfied



Vs 84% avg prior 3 months



Vs 80% avg prior 3 months



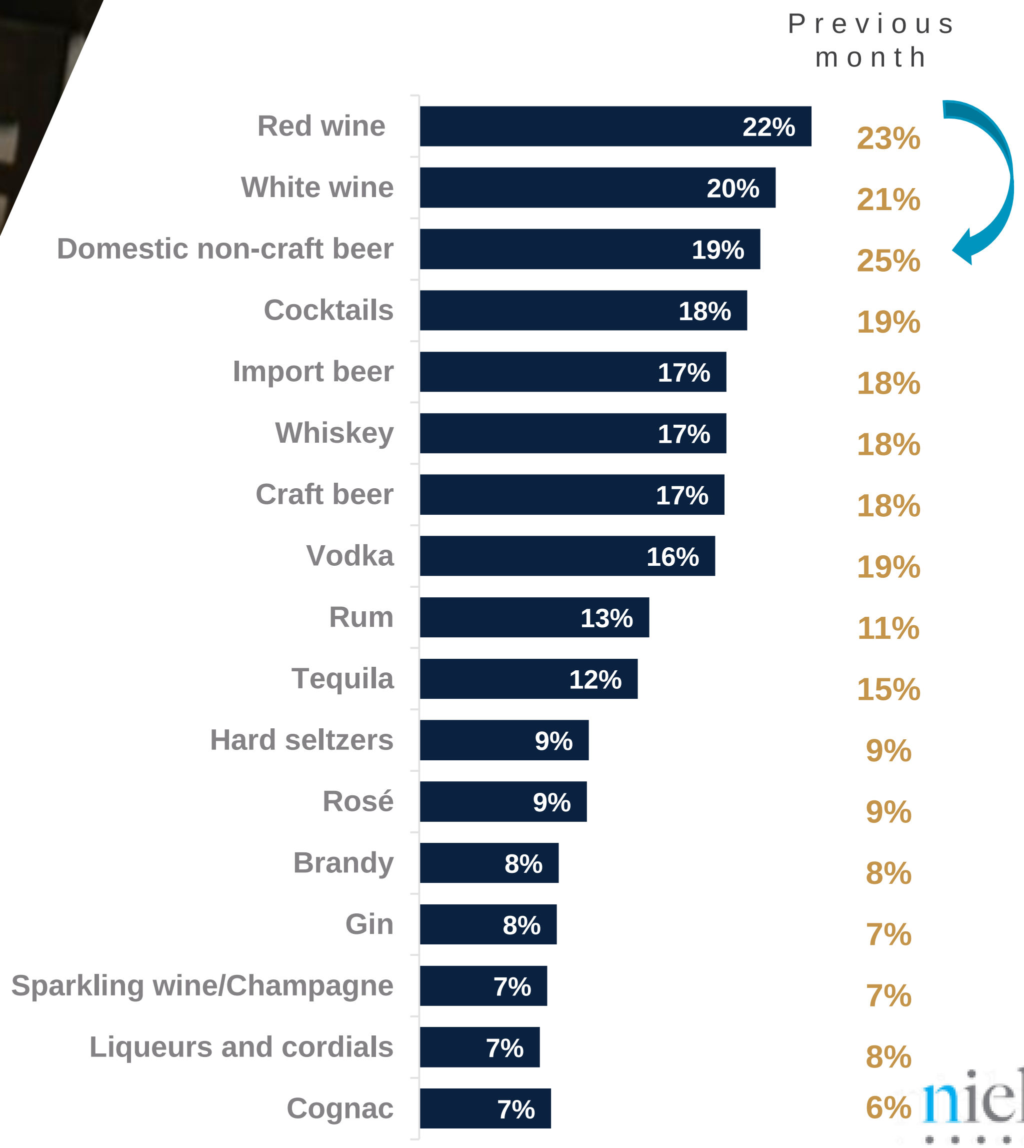
Vs 83% avg prior 3 months

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Nov 19, 2020, SAMPLE SIZE: 962

DRINKS WHEN RETURNING TO BARS AND RESTAURANTS

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



% VISITING VENUES

INDEPENDENT RESTAURANTS	CASUAL DINING CHAINS	NEIGHBORHOOD BARS	SPORTS BARS	POLISHED CASUAL
41%	**40%**	**20%**	**19%**	**18%**

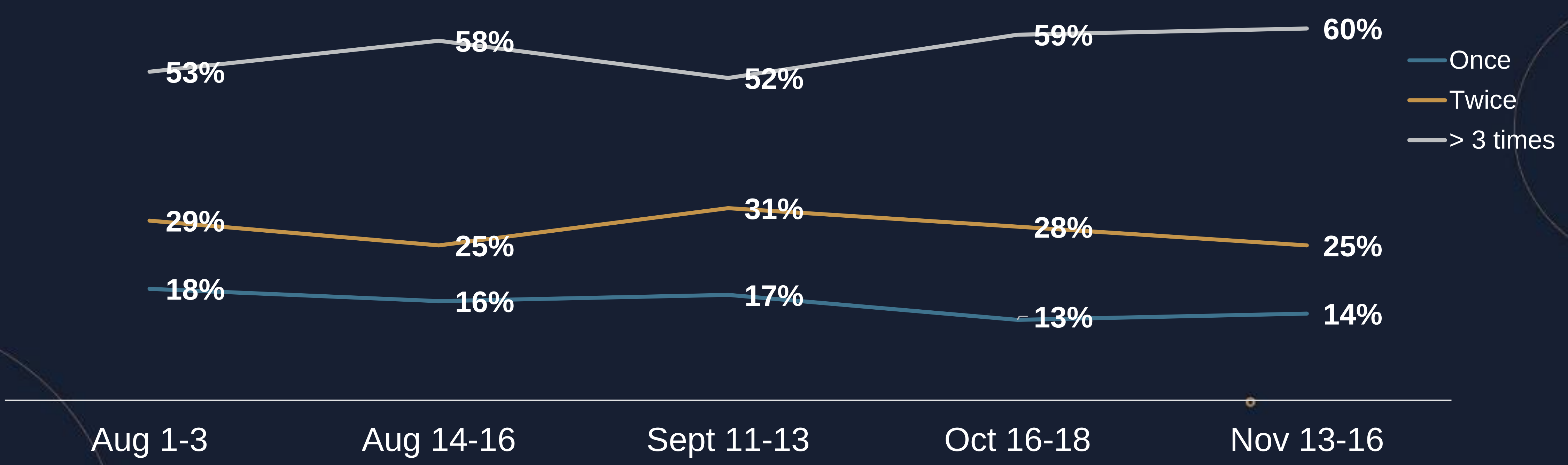
Average across prior 3 months

INDEPENDENT RESTAURANTS	CASUAL DINING CHAINS	NEIGHBORHOOD BARS	SPORTS BARS	POLISHED CASUAL
42%	**42%**	**18%**	**17%**	**17%**

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Nov 19, 2020, SAMPLE SIZE: 962

FREQUENCY OF ON PREMISE VISITS BY THOSE WHO HAVE BEEN OUT



OCCASIONS FOR VISITATION

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

	Average from prior 3 months
43% Drinks with food	44%
28% Relaxed/ quiet drinks	29%
25% Special occasion	27%
21% Romantic Meal	21%

WHY HAVE YOU NOT RETURNED TO THE ON PREMISE?

ANXIETY

I don't feel safe being in close proximity to strangers in these places	53%
I don't feel safe going out at the moment	52%
It will take me a while to feel comfortable visiting these places	38%

PRECAUTIONS

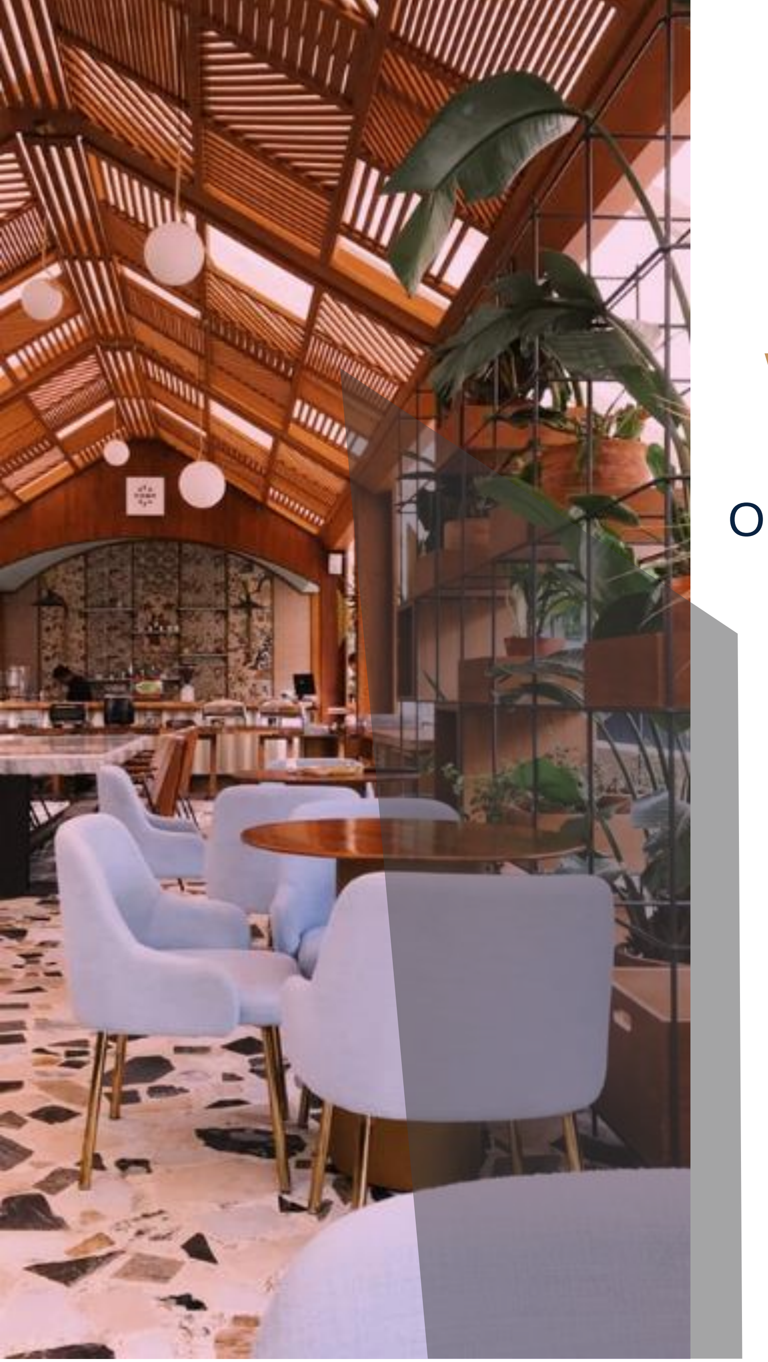
I am self-isolating	22%
I don't feel comfortable with other people preparing my food/drinks	20%
I am concerned about my financial situation and am trying to save money	15%

Financial concern has dropped from 19% last month

EXPERIENCE

The atmosphere is/will not be the same as it was before COVID-19	23%
My experience when visiting a bar or restaurant will not be the same as it was before	14%
I have realized I don't need these experiences as often	11%

nielsen CGA PHENOMENAL DATA. EXPERT INSIGHT.



WHEN WILL YOU VISIT THE ON PREMISE?

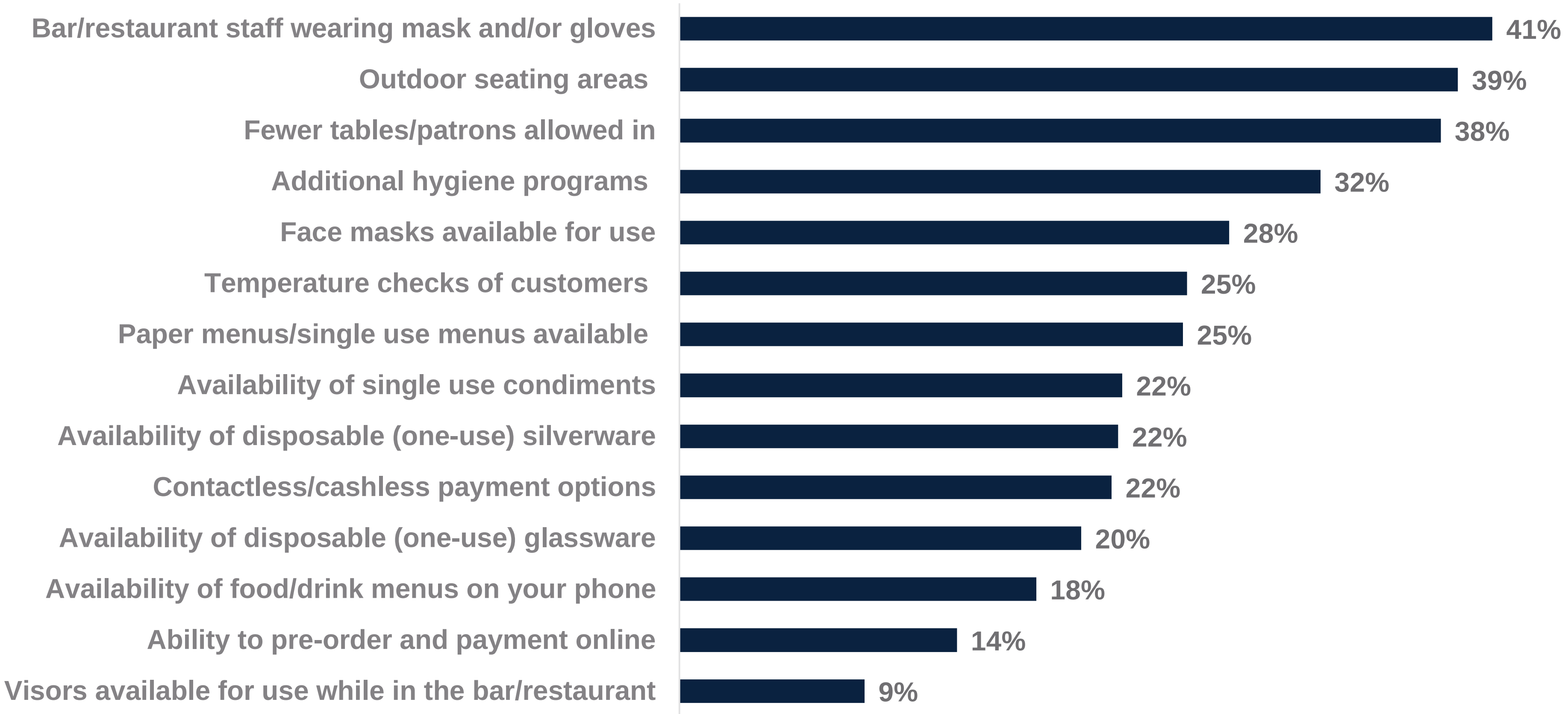
WHEN THERE IS A VACCINE / TREATMENT AVAILABLE	40%
ONCE THE THREAT OF COVID-19 IS COMPLETELY GONE	31%
UNSURE	22%
ONCE THE NUMBER OF COVID-19 CASES DOES NOT INCREASE AGAIN	17%
WHEN THE NUMBER OF CASES FALL BELOW A CERTAIN NUMBER	15%
WHEN OUTLETS HAVE DEMONSTRATED SUCCESSFUL SOCIAL DISTANCING	11%

nielsen CGA 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 previous issues; 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?

55%

DRINKING THE SAME AMOUNT OF ALCOHOL

27% ← **29%** Oct 21

DRINKING MORE

19% ← **14%** Oct 21

DRINKING LESS

nielsen

CGA

PHENOMENAL DATA. EXPERT INSIGHT.

HOW OFTEN ARE YOU GOING OUT TO BARS/RESTAURANTS COMPARED TO PRE COVID-19

13% More often

30% About the same

58% Less often

HOW OFTEN ARE YOU GOING OUT TO BARS/RESTAURANTS COMPARED TO PRE COVID-19 AGE BREAKS

	21-34	35-54	55+
More often	21%	18%	4%
About the same	37%	29%	26%
Less Often	42%	53%	70%

NCGA COVID-19 IMPACT SURVEY Nov 19, 2020, SAMPLE SIZE: 1,508

BEHAVIOR IN VENUES

% Agreeing they are doing…compared to Pre COVID-19

"I am more likely to add a tip/higher tip"	63%
"I am more willing to treat myself on each occasion"	54%
"I am spending more on eating/drinking in one venue"	43%
"I am spending more of food/drinks per visit"	41%
"I am more willing to trade up to more premium drinks/food offers"	41%

71%

Of On Premise Users agree that bars/restaurants are a place to connect with friends & family

>3 IN 4 21-34 yr olds agree

nielsen | CGA

PHENOMENAL DATA. EXPERT INSIGHT.

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Nov 19, 2020, SAMPLE SIZE: 1,508

71%

Of On Premise Users agree that bars/restaurants are a place to treat yourself

77% 35-54 yr olds agree

This age group show the strongest agreement for treating themselves and thus are a key target for this On Premise value

21-34 yr olds have the highest association of the On Premise with celebrations and a place to escape.
Reminding them of these qualities is important.

67%

Agree that bars/ restaurants are a place to celebrate

76% 21-34 yr olds agree

59%

Agree that bars/ restaurants are a place to escape

71% 21-34 yr olds agree

TAKE OUT/DELIVERY

64%

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

63% Plan to in the next 2 weeks

Vs 64% prior 2 weeks

11%

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

15% Plan to in the next 2 weeks

Vs 13% prior 2 weeks

nielsen CGA

PHENOMENAL DATA. EXPERT INSIGHT.

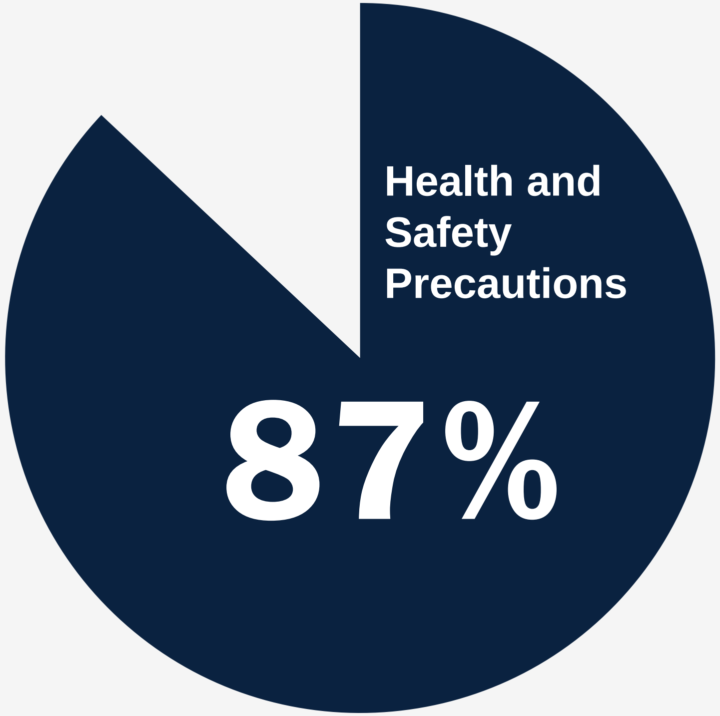
SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Nov 19, 2020, SAMPLE SIZE: 1,508

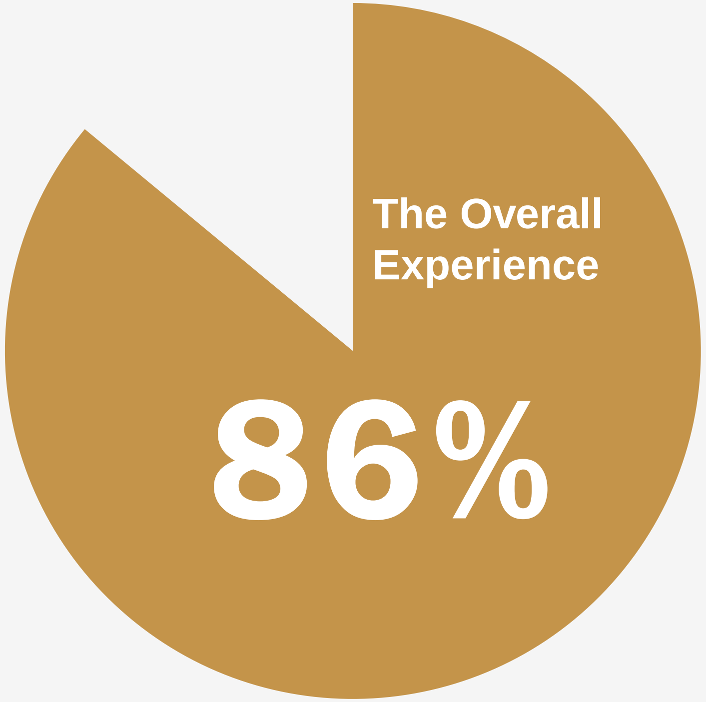
LEVELS OF SATISFACTION WITH TAKE OUT/DELIVERY ARE HIGH

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

% satisfied



Vs 91% last month



Vs 90% last month

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Nov 19 2020, SAMPLE SIZE: 1,085

TAKE OUT/DELIVERY

WHERE DO YOU ORDER ALCOHOL WITH DELIVERY FROM

Third party delivery apps

54%

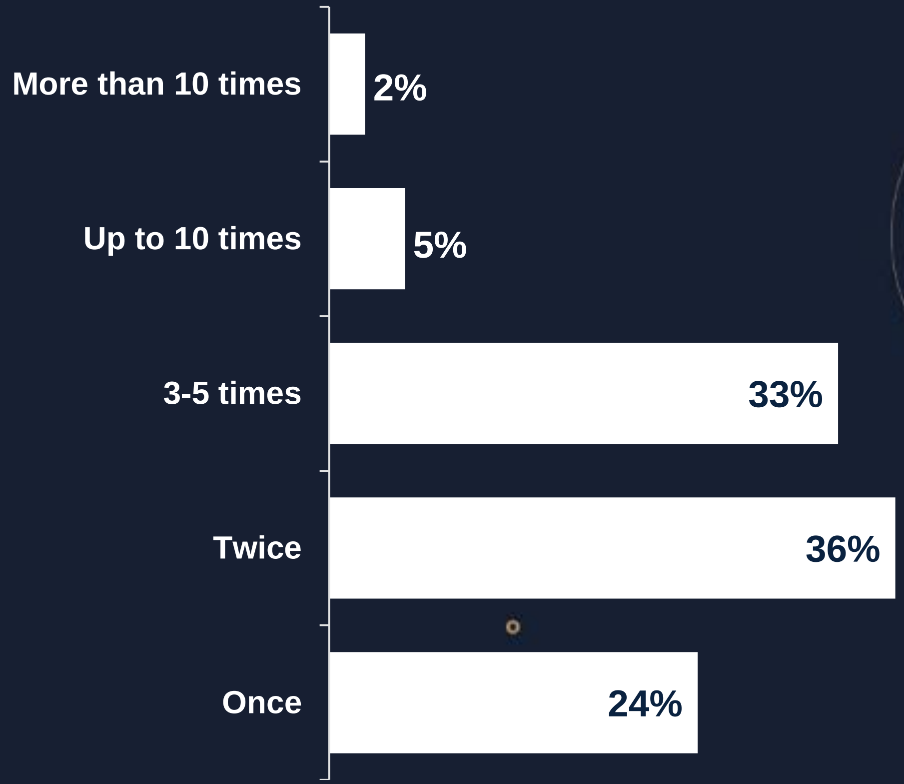
Supermarket/grocery store/convenience/liquor store

40%

Direct from restaurants/bars

37%

HOW OFTEN HAVE YOU ORDERED TAKE OUT IN THE LAST 2 WEEKS



SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Nov 19, 2020, SAMPLE SIZE: 166 – 1,085

WHAT'S NEXT?

As per this report, we are focusing 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 are moving to a monthly deliverable as behaviors have begun to normalize more so we will continue to deliver these reports to you with key, actionable insights every 4 weeks. By moving towards a 4 weekly 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 past 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

GET IN TOUCH NOW TO DISCUSS YOUR 2021 PLANS

contact matthew.crompton@nielsencga.com and

amy.warren@nielsencga.com

OPUS: On-Premise User Survey

OUT NOW –
CONTACT FOR DETAILS

HOW HAVE YOUR ON PREMISE CONSUMERS CHANGED DUE TO COVID-19?

Behavior • Brand preferences • Expectations

nielsen CGA

PHENOMENAL DATA. EXPERT INSIGHT.

METHODOLOGY

CONSUMER RESEARCH

NCGA have surveyed 1,508 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 11/13//20 to 11/16/20.

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