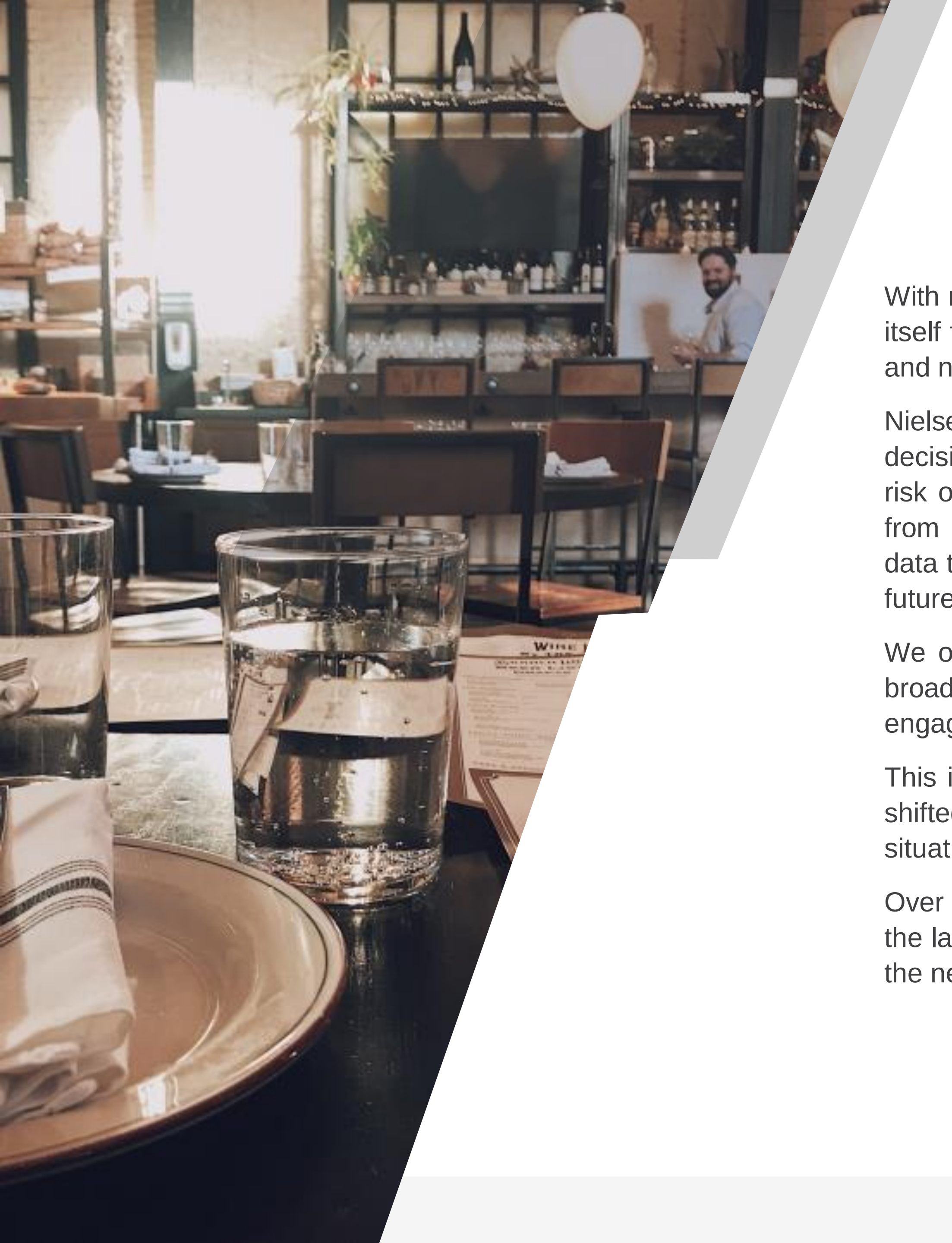
COVID-19 IMPACT REPORT

NIELSEN CGA, OCT 22 2020



INTRODUCTION

With no direct route away from the impact of COVID-19 anytime soon, 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.

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 (**Oct 16- Oct 21**) we surveyed **1,603** 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.

SUMMARY

- While almost ½ of consumers have returned to visit the On Premise since bars and restaurants started reopening in the US, there has been very little increase in the past three months.
- This suggests those who are most comfortable with returning prior to a vaccine or significant change in circumstances, have already done so and whether we will see much change in this trend as consumers get more apathetic with the situation will be intriguing.
- Despite the threat of wildfires to California venues, California was the only state which saw a significant increase in visitation versus the September study. Previously lagging other states for visitation, we expect to see this plateau as with others.
- While visits to venues for drinking occasions remain dominated by younger consumers, the older demographics are just as, if not more, likely to be returning for food. This shows that confidence in restaurants is not dominated by one age group.
- With 79% of consumers staying in one place/ visiting fewer places when they go out, the importance of capturing consumers initial visit in a night is more important than ever
- Domestic Non Craft beer moved into the top spot for the most ordered drink this week –this could be linked to the reopening of more drink led venues
- Food and drink occasions are quite equally impacted by COVID-19. Only +6pp consumers from the key states claim to be going out less often for a drink occasion than a food occasion.
- Consumers are very likely to be tipping higher in venues than pre COVID-19 (62% agree they are doing this). But 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.

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

RETURNING TO VENUES

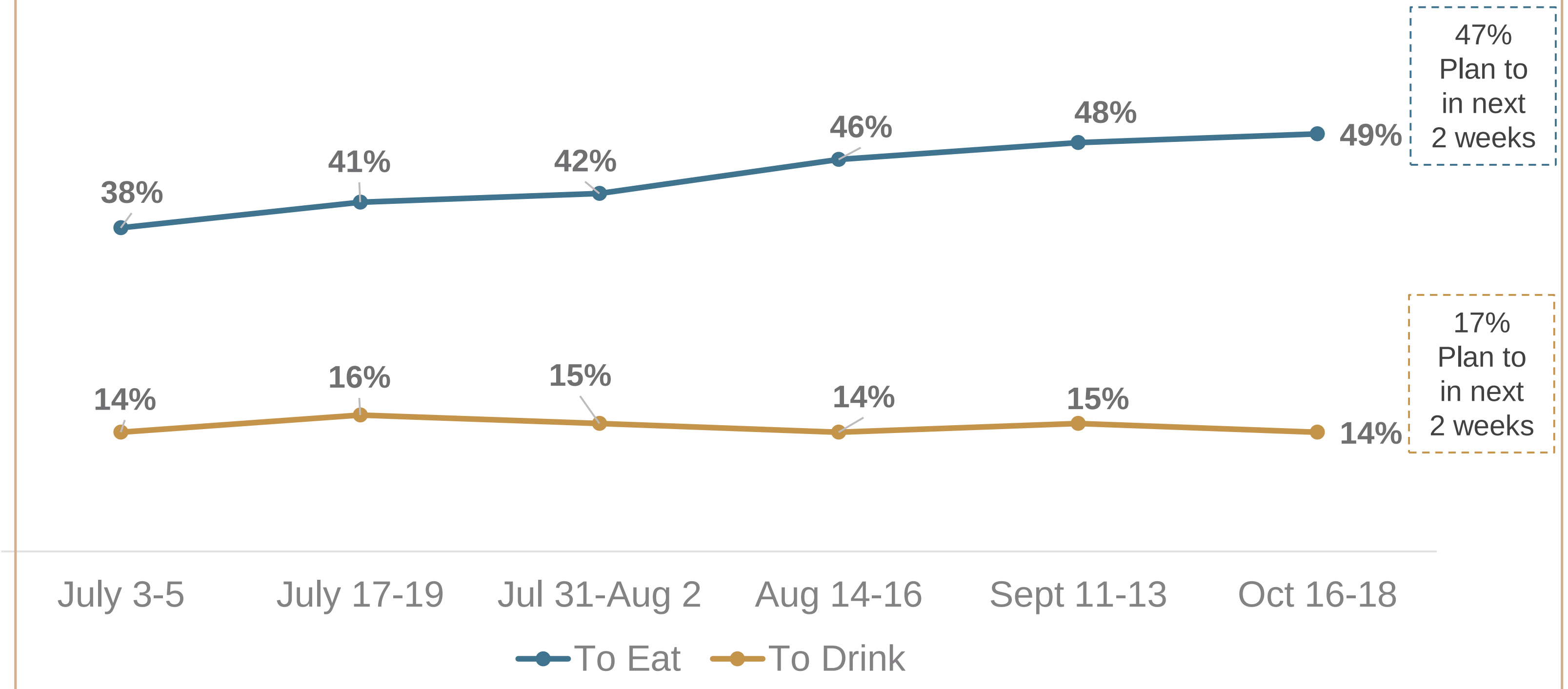
49%

CONSUMERS HAVE BEEN OUT TO EAT

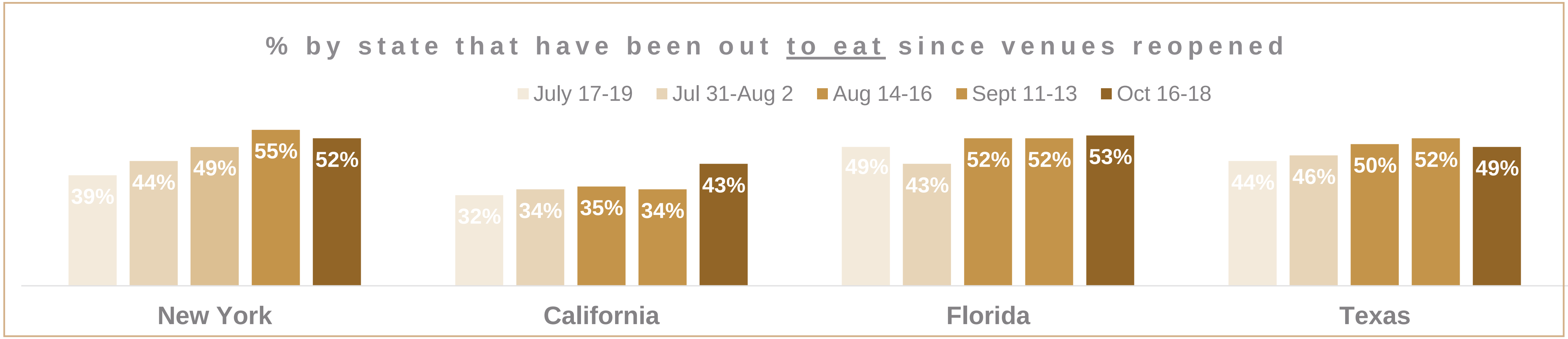
14%

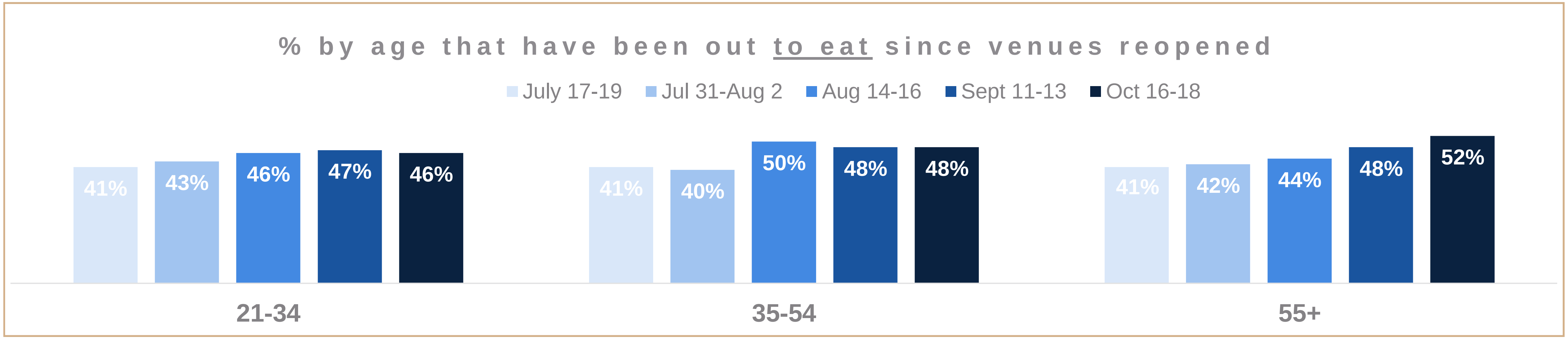
CONSUMERS HAVE BEEN OUT TO DRINK

% that have been out to eat or drink since venues reopened



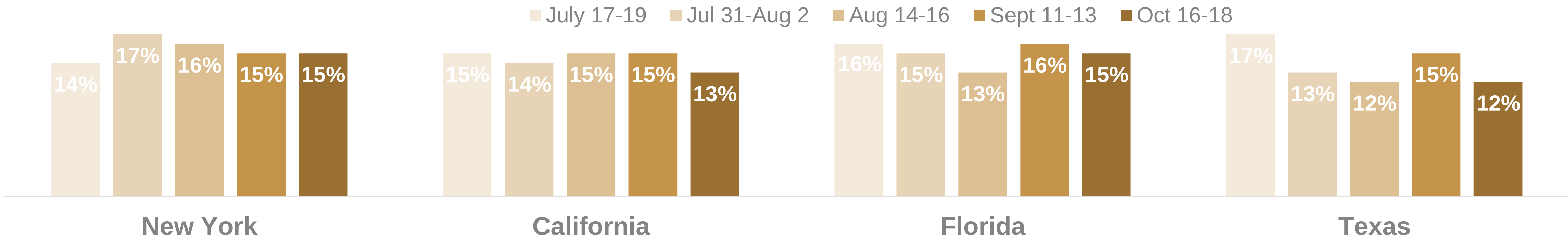
RETURNING TO VENUES - TO EAT DEMOS



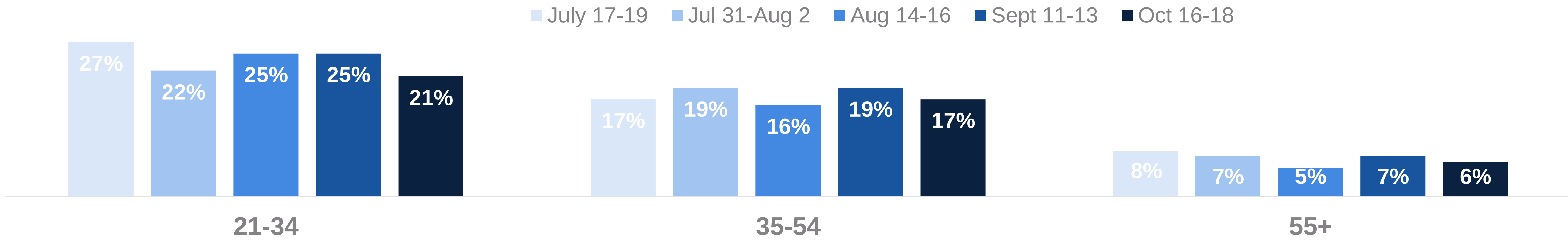


RETURNING TO VENUES - TO DRINK DEMOS

% by state that have been out to drink since venues reopened



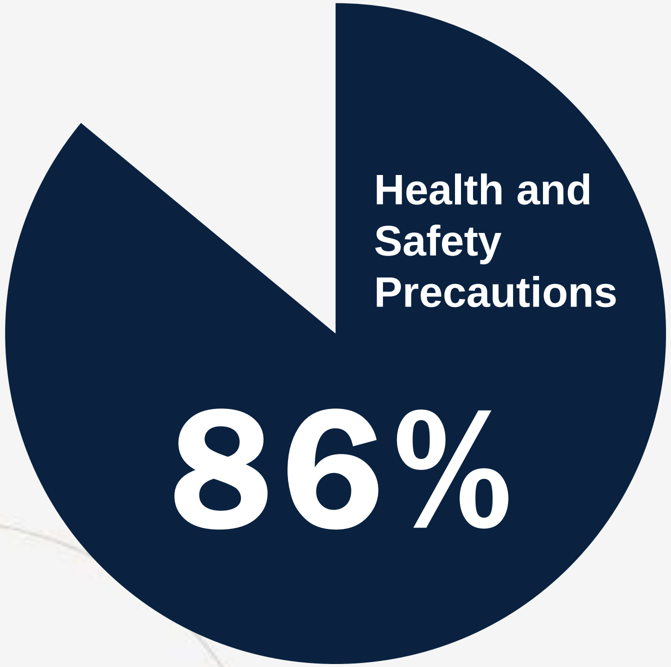
% by age that have been out to drink since venues reopened



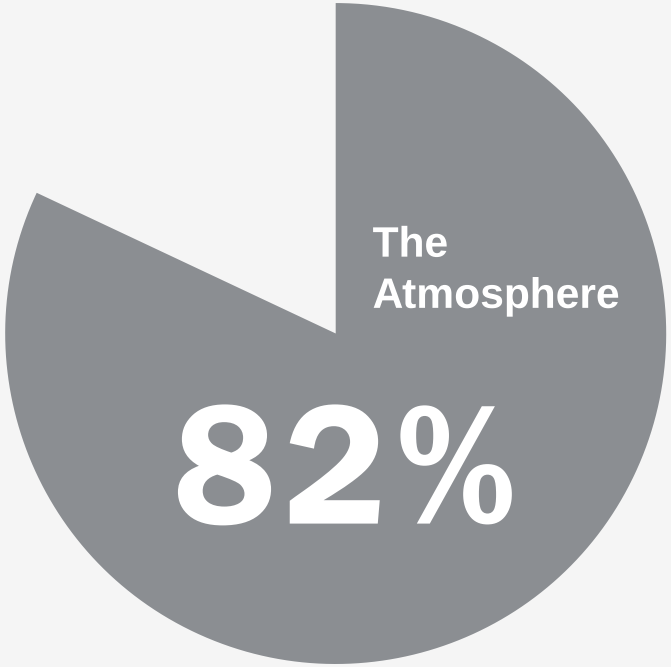
THE LEVELS OF SATISFACTION ARE CONSISTENT BY FACTOR

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

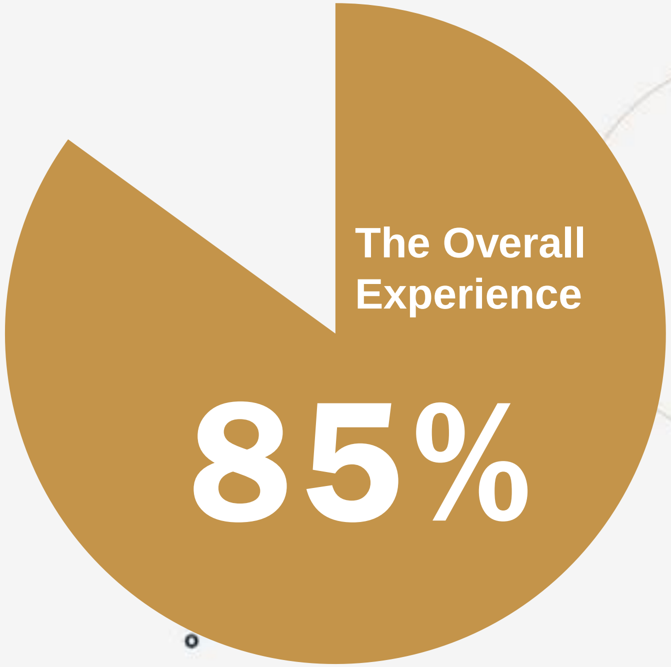
% satisfied



Vs 84% last month



Vs 79% last month



Vs 83% last month

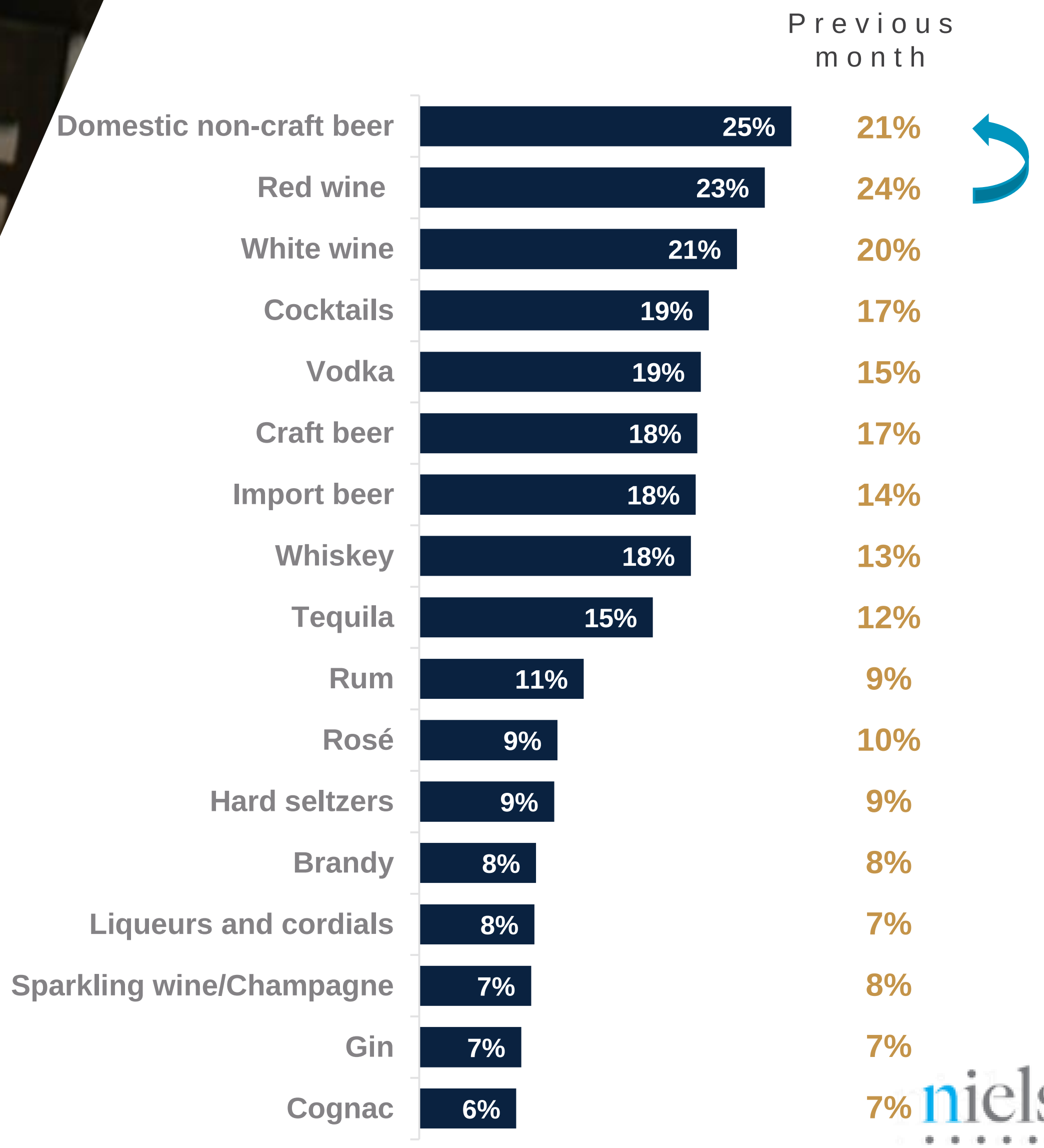
nielsen CGA PHENOMENAL DATA. EXPERT INSIGHT.

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Oct 21, 2020, SAMPLE SIZE: 918

DRINKS WHEN RETURNING TO BARS AND RESTAURANTS

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



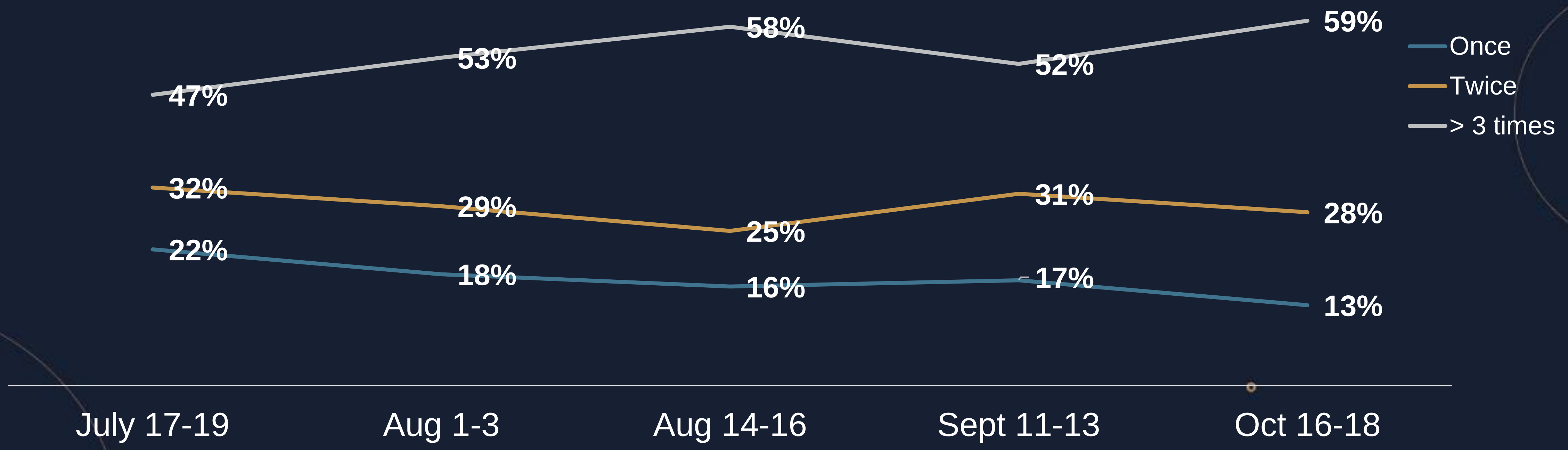
% VISITING VENUES

	CASUAL DINING CHAINS	INDEPENDENT RESTAURANTS	NEIGHBORHOOD BARS	FINE DINING RESTAURANTS	SPORTS BARS
	47%	**46%**	**21%**	**19%**	**19%**
Previous month	**39%**	**41%**	**17%**	**19%**	**18%**

SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Oct 21, 2020, SAMPLE SIZE: 918

FREQUENCY OF ON PREMISE VISITS BY THOSE WHO HAVE BEEN OUT



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PHENOMENAL DATA. EXPERT INSIGHT.

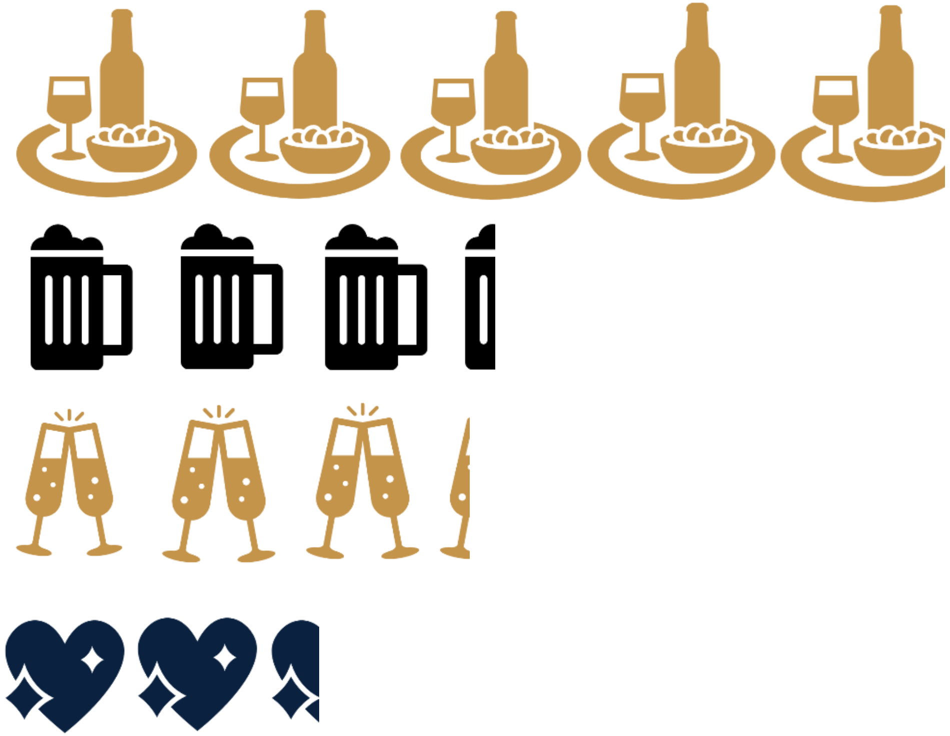
SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Oct 21, 2020, SAMPLE SIZE: 918

OCCASIONS FOR VISITATION

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

PREVIOUS SURVEY Aug 14-16



49%
Drinks with food
42%

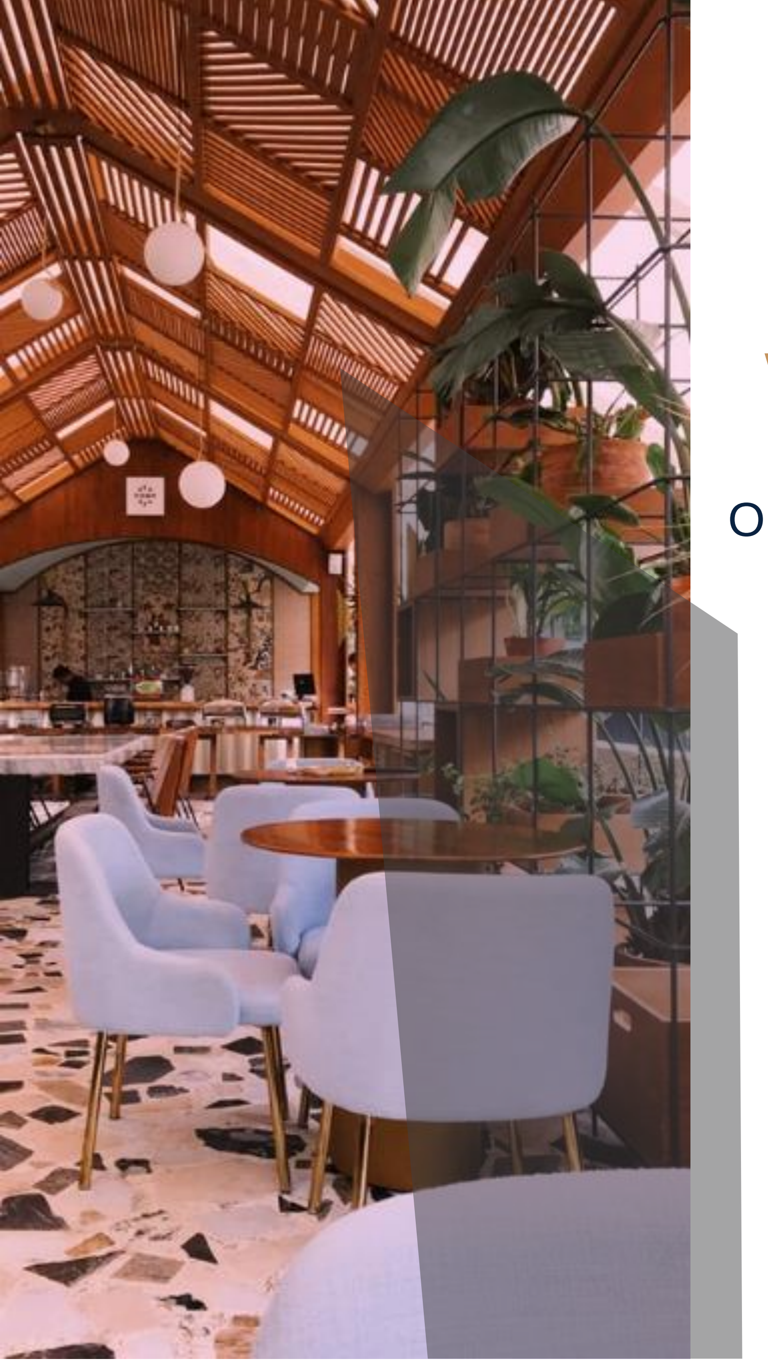
33%
Relaxed/ quiet drinks
27%

32%
Special occasion
25%

24%
Romantic Meal
19%

WHY HAVE YOU NOT RETURNED TO THE ON PREMISE?

ANXIETY		PRECAUTIONS		EXPERIENCE	
I don’t feel safe being in close proximity to strangers in these places	55%	I am concerned about my financial situation and am trying to save money	19%	The atmosphere is/will not be the same as it was before COVID-19	25%
I don’t feel safe going out at the moment	48%	I don’t feel comfortable with other people preparing my food/drinks	18%	My experience when visiting a bar or restaurant will not be the same as it was before	16%
It will take me a while to feel comfortable visiting these places	42%	I am self-isolating	16%	I have realized I don’t need these experiences as often	11%



WHEN WILL YOU VISIT THE ON PREMISE?

WHEN THERE IS A VACCINE / TREATMENT AVAILABLE	41%
ONCE THE THREAT OF COVID-19 IS COMPLETELY GONE	34%
WHEN THE NUMBER OF CASES FALL BELOW A CERTAIN NUMBER	20%
UNSURE	18%
ONCE THE NUMBER OF COVID-19 CASES DOES NOT INCREASE AGAIN	17%
WHEN OUTLETS HAVE DEMONSTRATED SUCCESSFUL SOCIAL DISTANCING	11%

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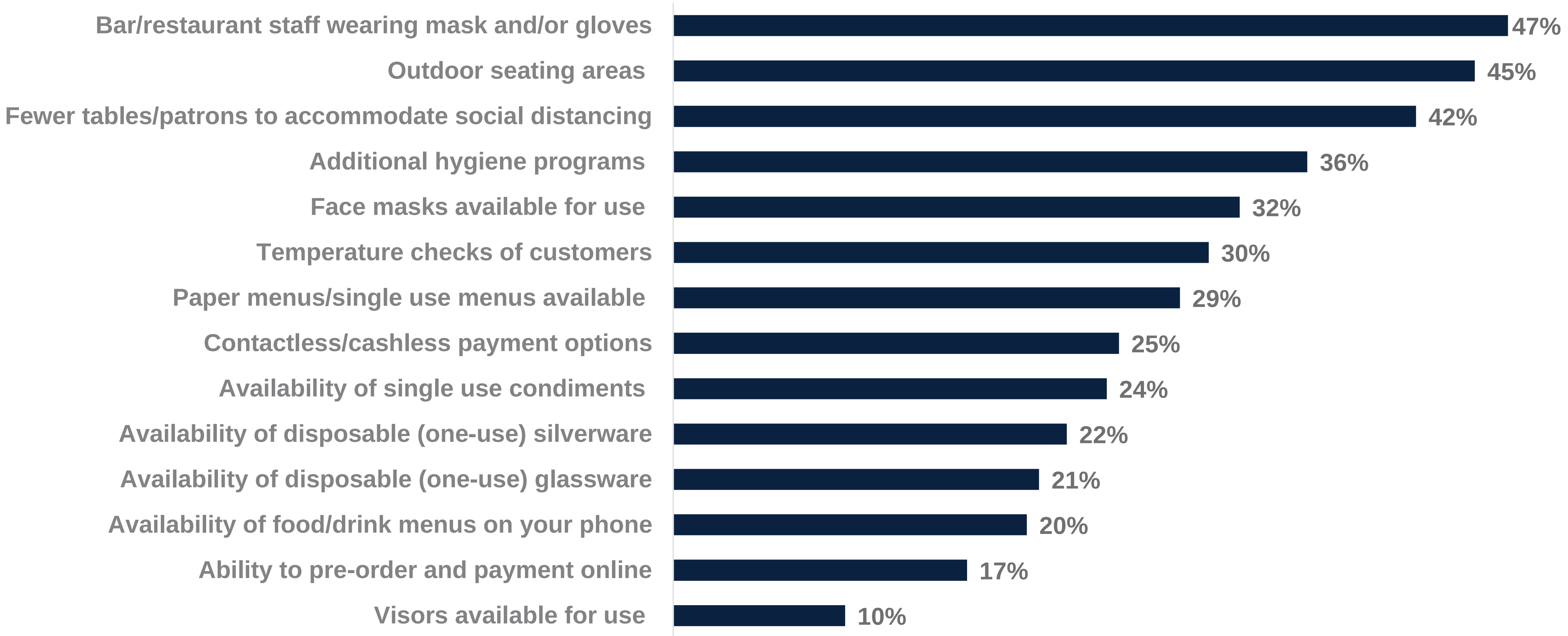
SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Oct 21, 2020, SAMPLE SIZE: 685

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?



SOURCE: NCGA COVID-19 IMPACT CONSUMER RESEARCH

NCGA COVID-19 IMPACT SURVEY Oct 21, 2020, SAMPLE SIZE: 1,603

HOW HAS ALCOHOL CONSUMPTION CHANGED DURING COVID-19?

57%

DRINKING THE SAME AMOUNT OF ALCOHOL

29% ← **26%** Sept 13

DRINKING MORE

14% ← **17%** Sept 13

DRINKING LESS

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

11% More often

24% About the same

65% Less often

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PHENOMENAL DATA. EXPERT INSIGHT.

NCGA COVID-19 IMPACT SURVEY Oct 21, 2020, SAMPLE SIZE: 1,603

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

	21-34	35-54	55+
More often	19%	13%	5%
About the same	30%	23%	22%
Less Often	51%	64%	74%

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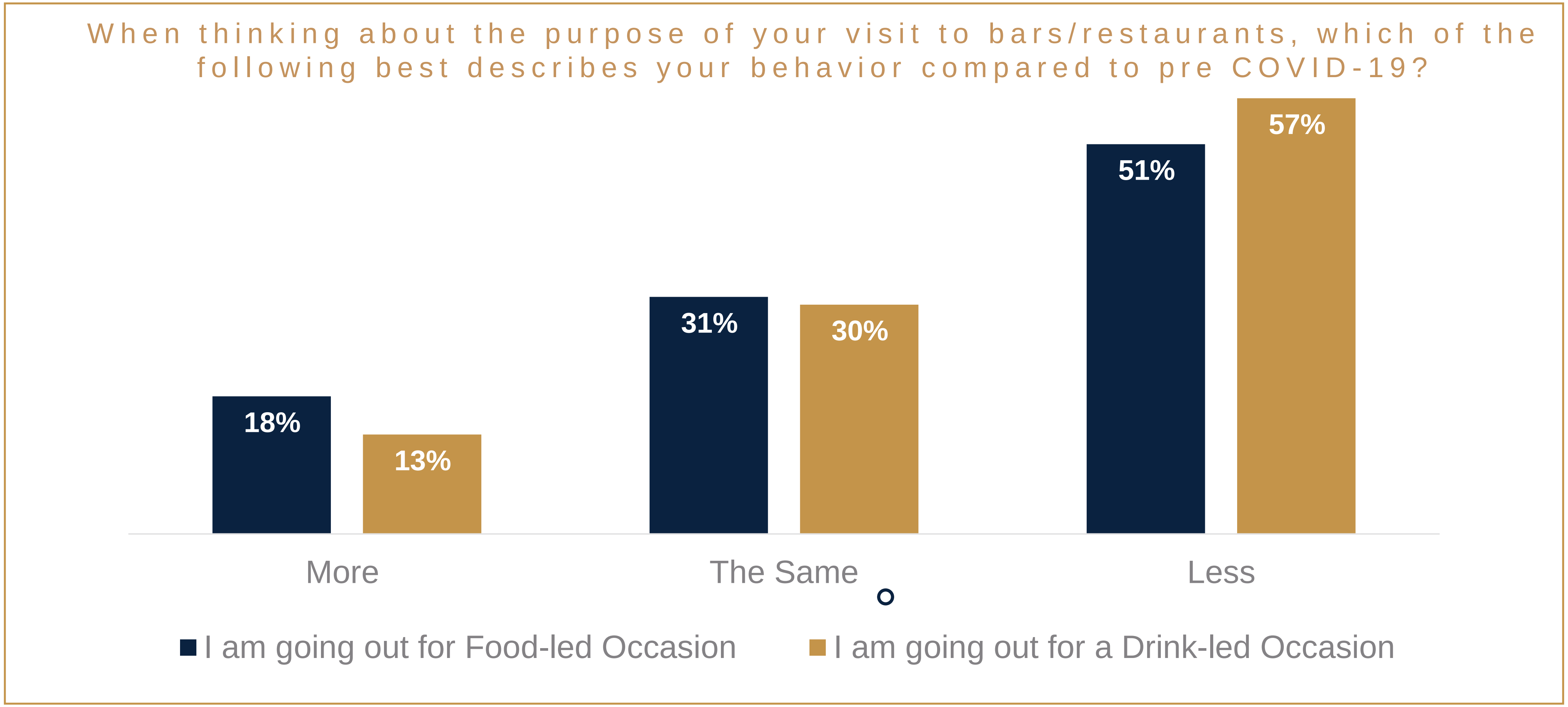
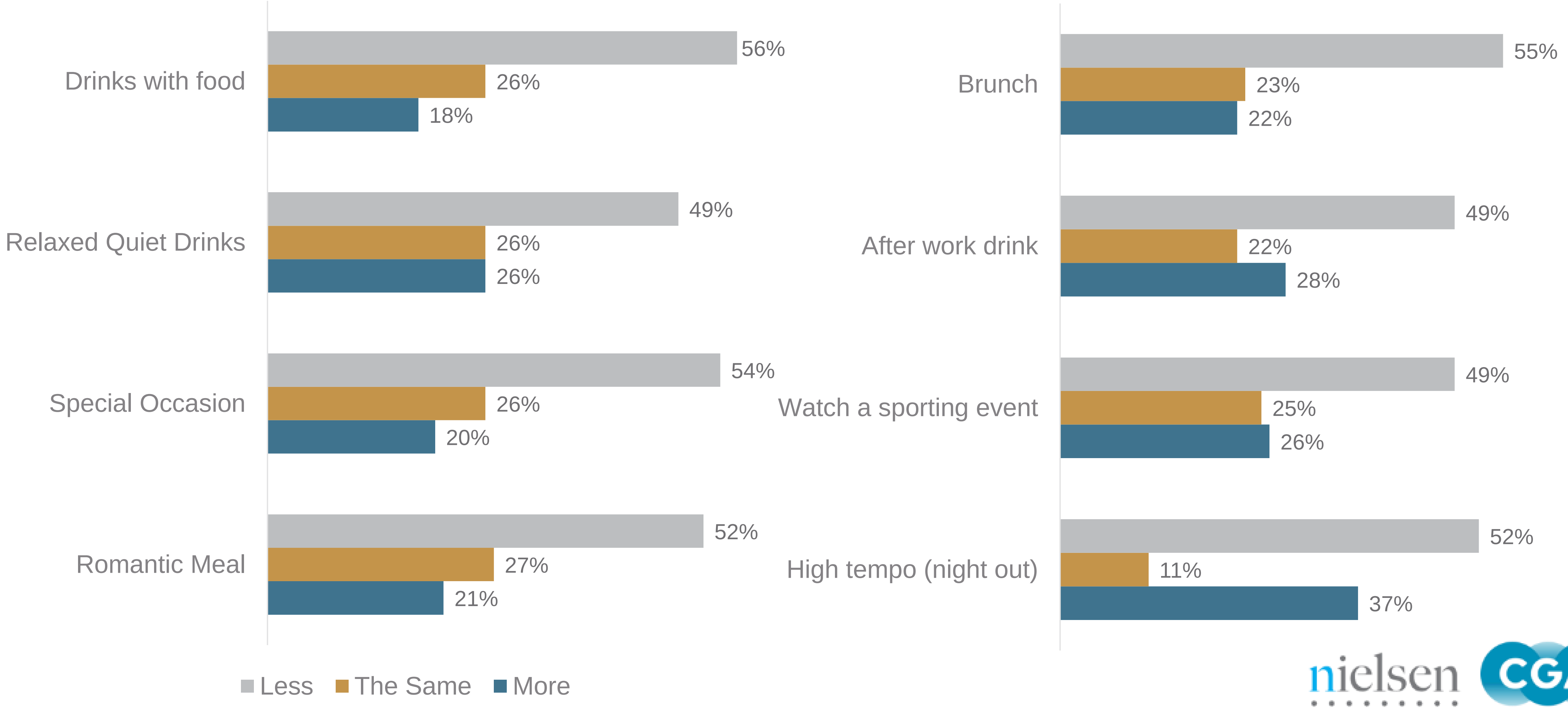
FREQUENCY OF VISITING FOR OCCASION TYPES



FREQUENCY OF VISITING FOR OCCASION TYPES

I am visiting bars/restaurants for this occasion…Compared to Pre COVID-19



BEHAVIOR IN VENUES

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

"I am more likely to add a tip/higher tip"	62%
"I am more willing to treat myself on each occasion"	53%
"I am spending more on eating/drinking in one venue"	44%
"I am spending more of food/drinks per visit"	41%
"I am more willing to trade up to more premium drinks/food offers"	39%

NUMBER OF VENUES

21%

I am visiting multiple places in one night

79%

I am staying in one place/visiting fewer places

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TAKE OUT/DELIVERY

64%

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

62% Plan to in the next 2 weeks

Vs 65% prior 2 weeks

13%

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

19% Plan to in the next 2 weeks

Vs 11% prior 2 weeks

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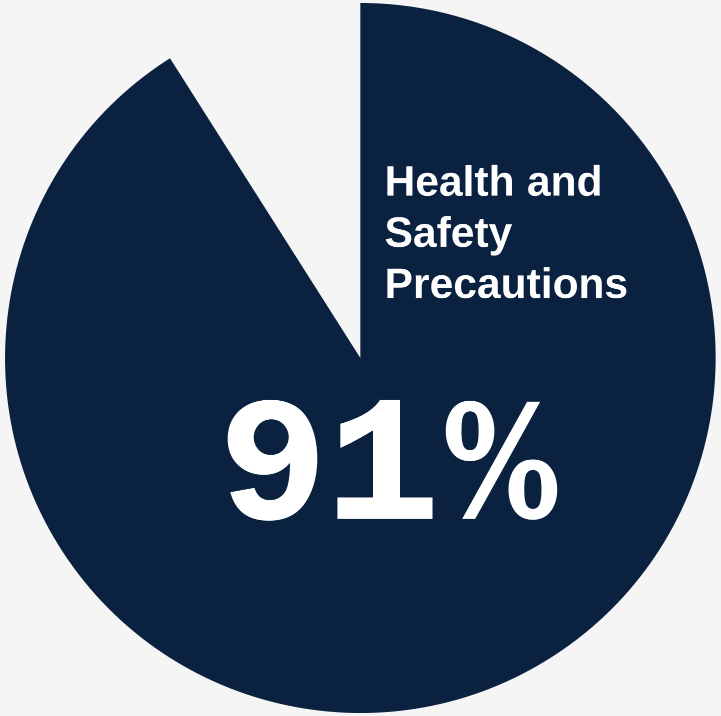
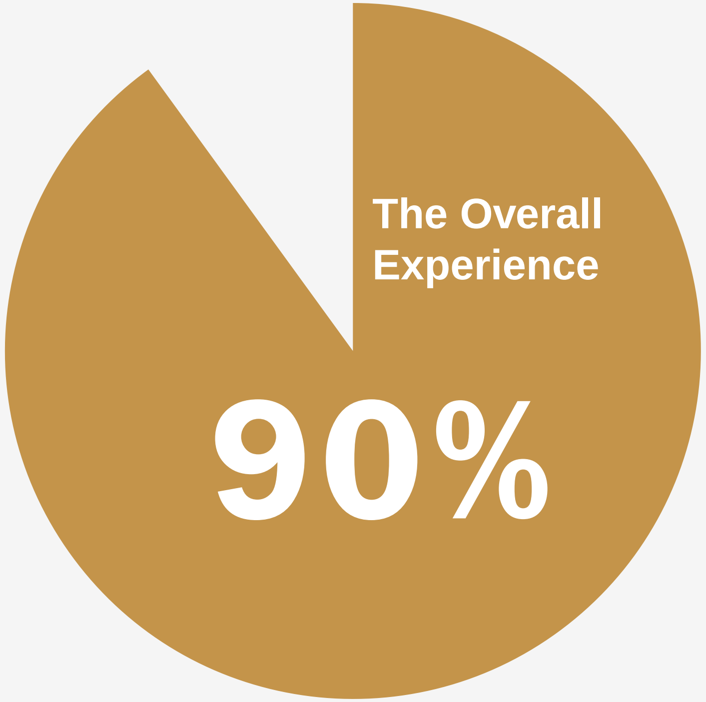
LEVELS OF SATISFACTION WITH TAKE OUT/DELIVERY ARE HIGH

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

% satisfied



Vs 88% last month



Vs 88% last month

TAKE OUT/DELIVERY

WHERE DO YOU ORDER ALCOHOL WITH DELIVERY FROM

Third party delivery apps

56%

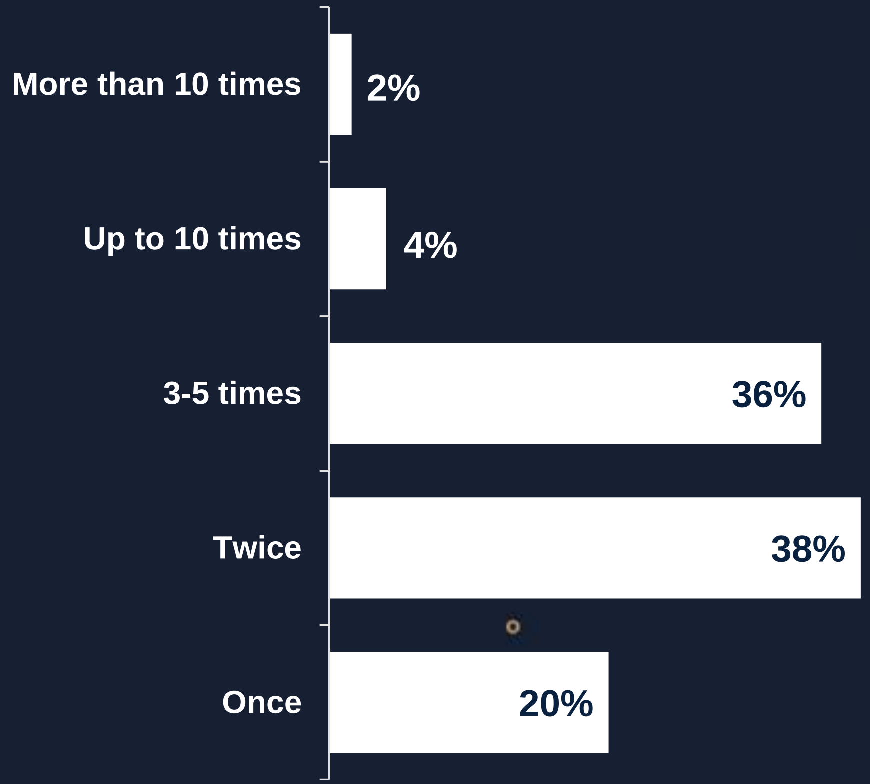
Direct from restaurants/bars

44%

Supermarket/grocery store/convenience/liquor store

43%

HOW OFTEN DO YOU ORDER A TAKE OUT/DELIVERY



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

LATEST SURVEY COMING FALL 2020

OPUS: On-Premise User Survey

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

Behavior • Brand preferences • Expectations

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PHENOMENAL DATA. EXPERT INSIGHT.

NEW NIELSEN CGA SERVICES

Essential tools to help you navigate the new On Premise reality

OPUS Custom Questions

How can I get the thoughts of 15,000 On Premise visitors to my key business questions?

Nielsen CGA's Fall On Premise User Survey will take place in October . Allowing a deeper dive into our large consumer pool as we approach winter months.

Benefits to you:

- Receive results split by age, gender and key national account customer
- Split by your brands
- See the broader response of consumers to the future of COVID-19.

RFP Support Packages

Winning with our largest 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 CGA's 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

CLiPTrak

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

Hotel Beverage Strategy Study

Maximizing the beverage opportunity in America's hotel channel, by understanding the next normal for a disrupted market

The ongoing impact of COVID-19 is causing extremely challenging times for the hotel industry, with lower occupancy rates and owners making difficult decisions.

Benefits to you:

- Build your hotel strategy for the next 3-6 months
- Support hotel partners
- Gain, protect and secure brand listings

METHODOLOGY

CONSUMER RESEARCH

NCGA have surveyed 1,603 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 10/16//20 to 10/18/20.

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