

COVID-19

ON PREMISE IMPACT REPORT-ISSUE IX

Nielsen CGA, JULY 20 2020



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INTRODUCTION

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 RestaurantTrak dataset up to week ending July 11.

ONGOING COVID-19 IMPACT REPORTS

With changes occurring at a rapid rate and an increasing divergence in performances by state, the fluctuations in the market have prompted us to review the format and style of the reports to ensure we continue to bring you the most relevant and up to date view of the On Premise market.

What does this mean for what you receive?

1. All deliveries will be standardized going forward

- The same states and cities will be shown in each report
- A daily and weekly chart will be included in each report

2. An enhanced comparison point for weekly sales

- Average outlet sales across September 2019 to February 2020 has been used as a baseline for the analysis originally. While this was valuable at the height of restrictions, as the situation evolves, so must our analysis of market conditions
- Therefore, we will now be reporting year-on-year trends to provide a clearer picture of On Premise performance, and will provide a closer like-for-like comparison of performance

To explore the data even further, you also have the option of using our new **CLiPTrak** service. This enables you to view market performance data across category and brand.

Alternatively, if you would like a more custom report, we can also explore other capabilities of the data.



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SUMMARY

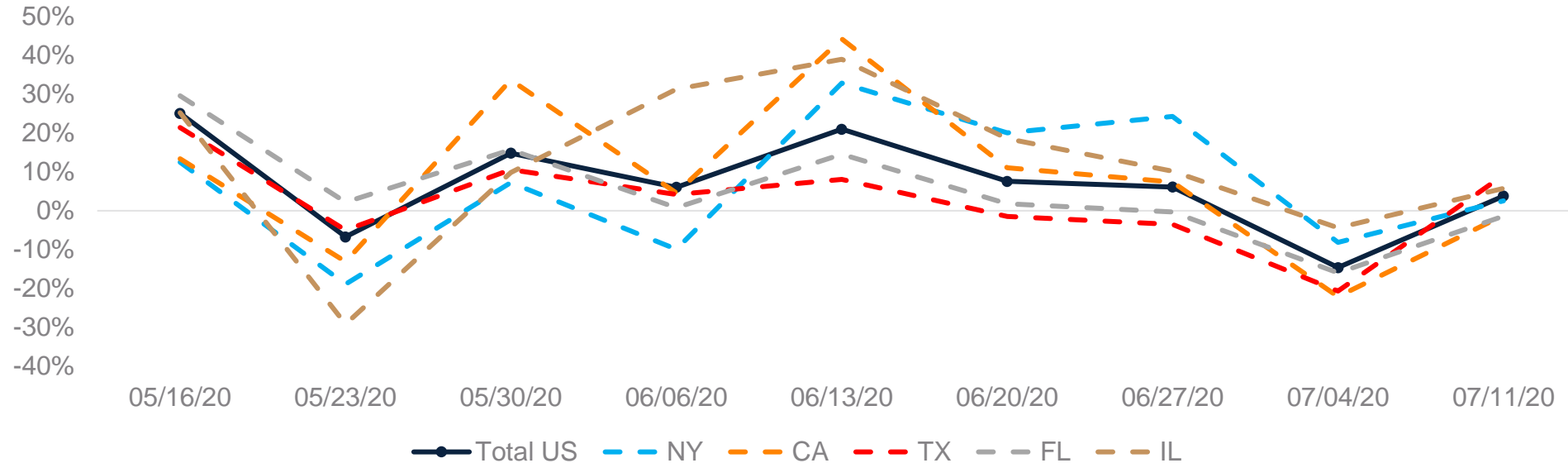
- On Premise velocity in outlets that are currently operational is down **-30%** vs last year in the week to July 11, this is however a an **+184%** increase on March 28 when On Premise shutdown commenced
- + • Week on Week Velocity has increased **+4%** July 11 vs July 4 across the US, following a decline in the week to July 4.
- In the week to July 11 California and Florida experience declines in velocity of **-1%**, while week on week velocity has increase in New York, Illinois and Texas.
- Velocity in New York is down **-54%** vs last year, however, except for a slight dip in week on week growth to July 4 the upwards trajectory continues across the state.
- Over the last 2 weeks velocity trends in Illinois have been more stable than other areas, experiencing a minor drop in the week to July 4 followed by **+6%** growth in the week to July 11.
- In California, velocity is down **-41%** vs last year following two weeks of week on week decline. San Francisco is the exception to this trend with growth of **+10%** in the week to July 11
- Texas has delivered the strongest week on week growth of **+9%** July 11 vs July 4, with velocity **-28%** below the same week last year.
- Velocity in Florida is down **-29%** vs last year following two weeks of week on week velocity decline. Despite Miami previously out-performing other cities, in the most recent week declines of **-16%** following **-17%** decline in July 4 means it is now underperforming the state.
- • A common thread across all states is that key cities have and continue to fair worse than the rest of their respective state.



TOTAL MARKET SALES

On Premise velocity is **-30%** lower than last year in the week to July 11 in outlets that are operational, this does however represent a **+184%** increase on March 28 when On Premise shutdown commenced. Average check value is also continuing its upward trajectory and is now only **-7%** lower than it was a year ago.

\$ VELOCITY % CHG - WEEK ON WEEK



NEW YORK STATE

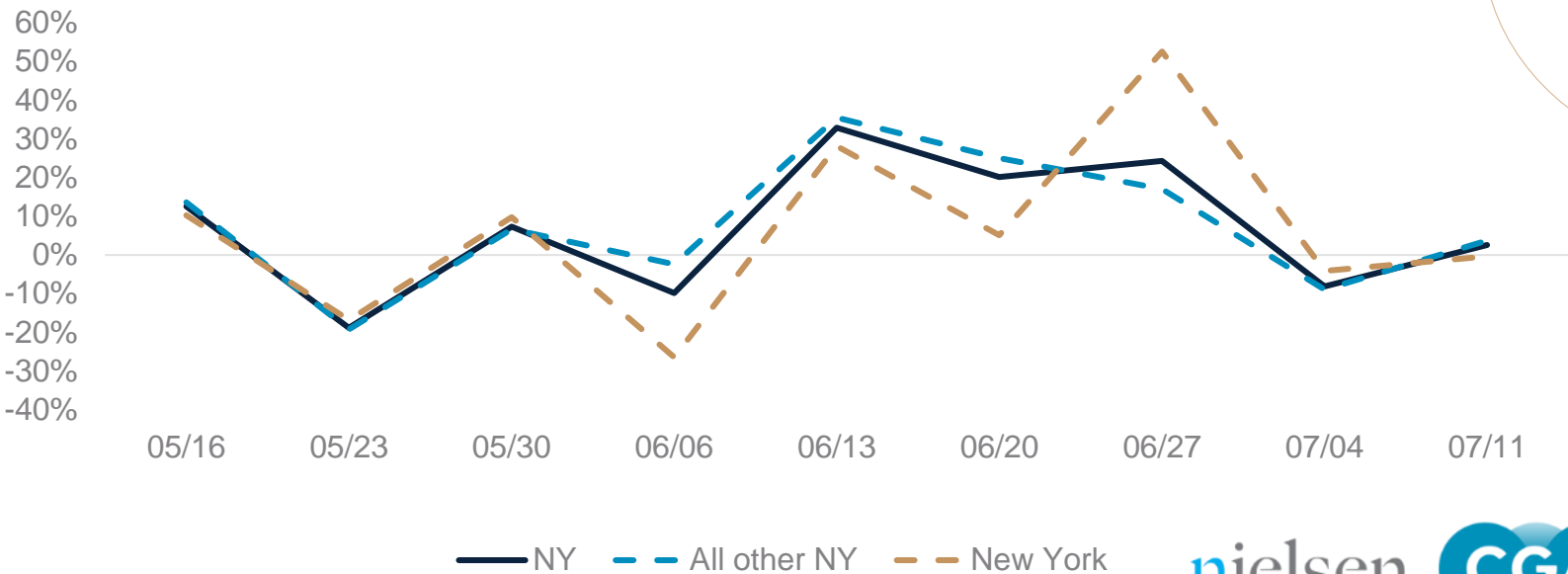
-54%

Vs July 13 2019

+3%

Vs July 4 2020

\$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: RESTAURANTRAK

ILLINOIS

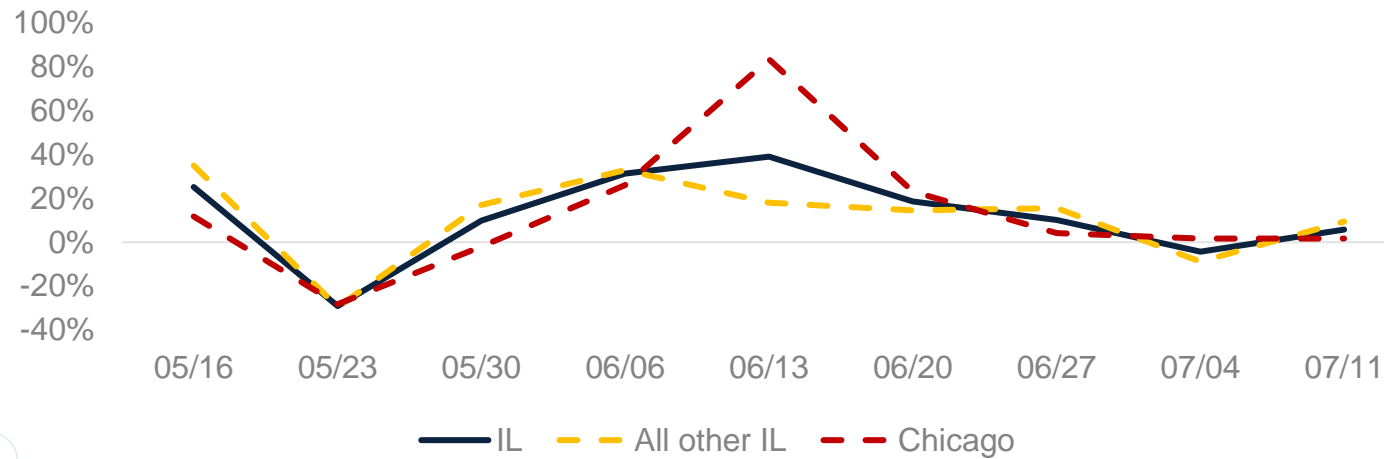
-44%

Vs July 13 2019

+6%

Vs July 4 2020

\$ VELOCITY % CHG - WEEK ON WEEK



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PHENOMENAL DATA. EXPERT INSIGHT.

CALIFORNIA

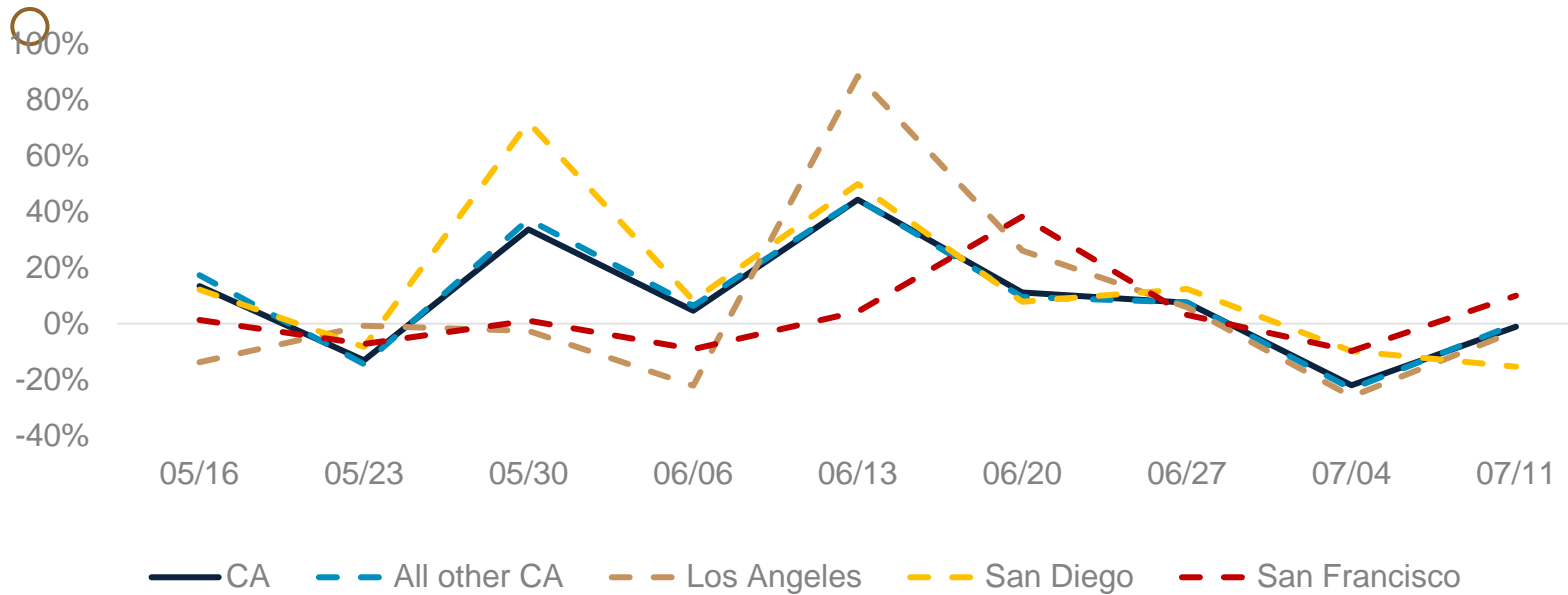
-41%

Vs July 13 2019

-1%

Vs July 4 2020

\$ VELOCITY % CHG - WEEK ON WEEK



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TEXAS

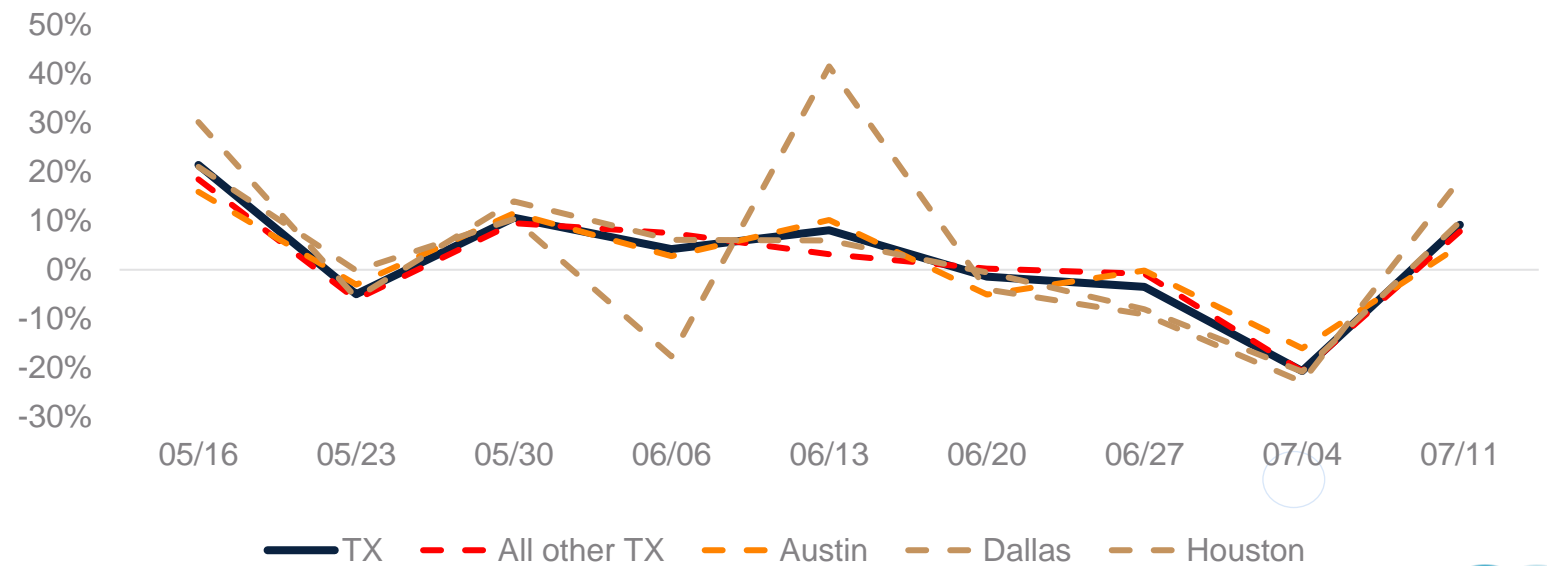
-28%

Vs July 13 2019

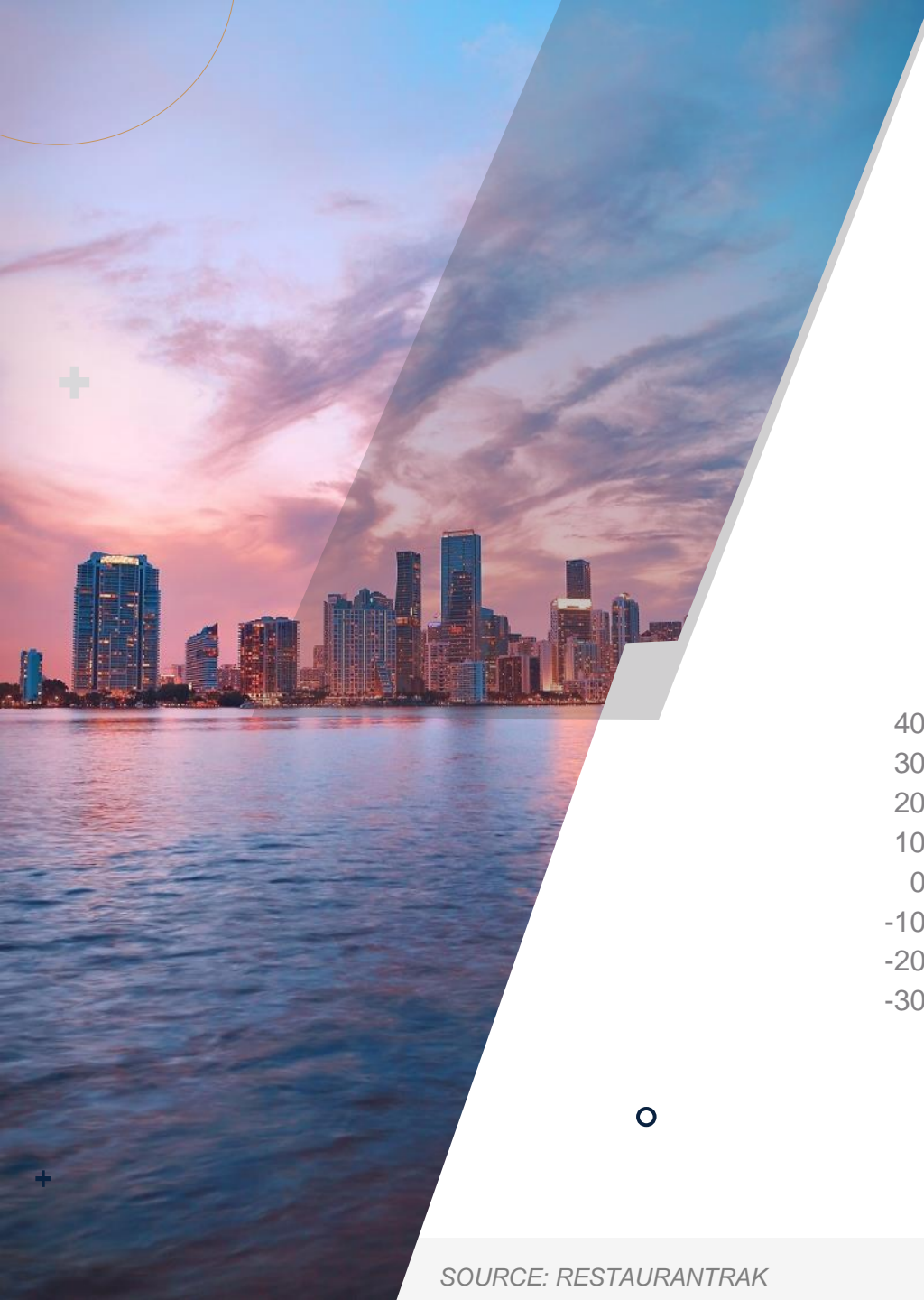
+9%

Vs July 4 2020

\$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: RESTAURANTRAK



FLORIDA

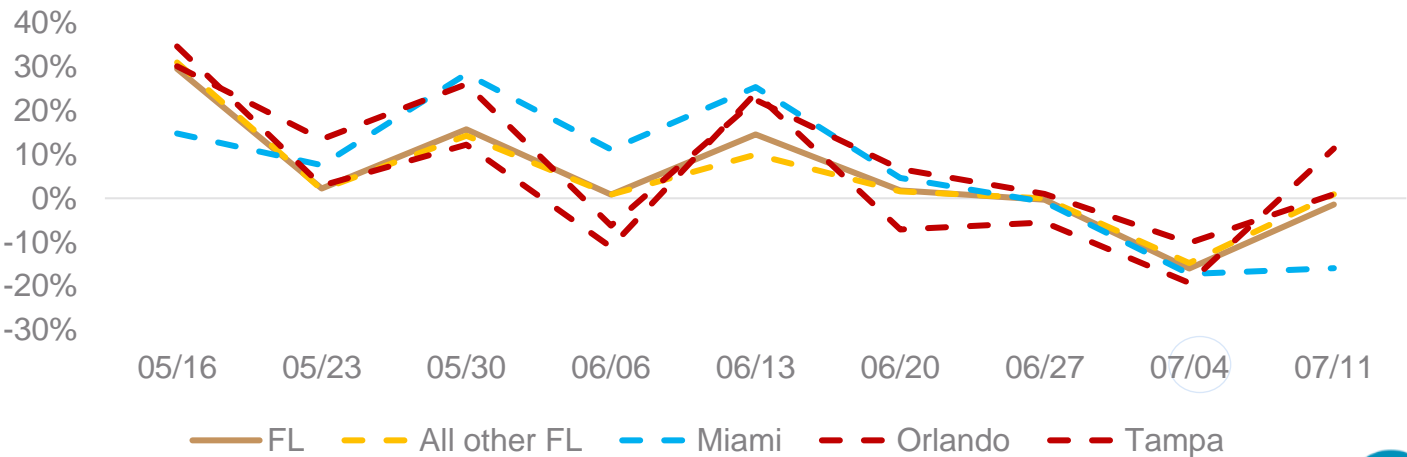
-29%

Vs July 13 2019

-1%

Vs July 4 2020

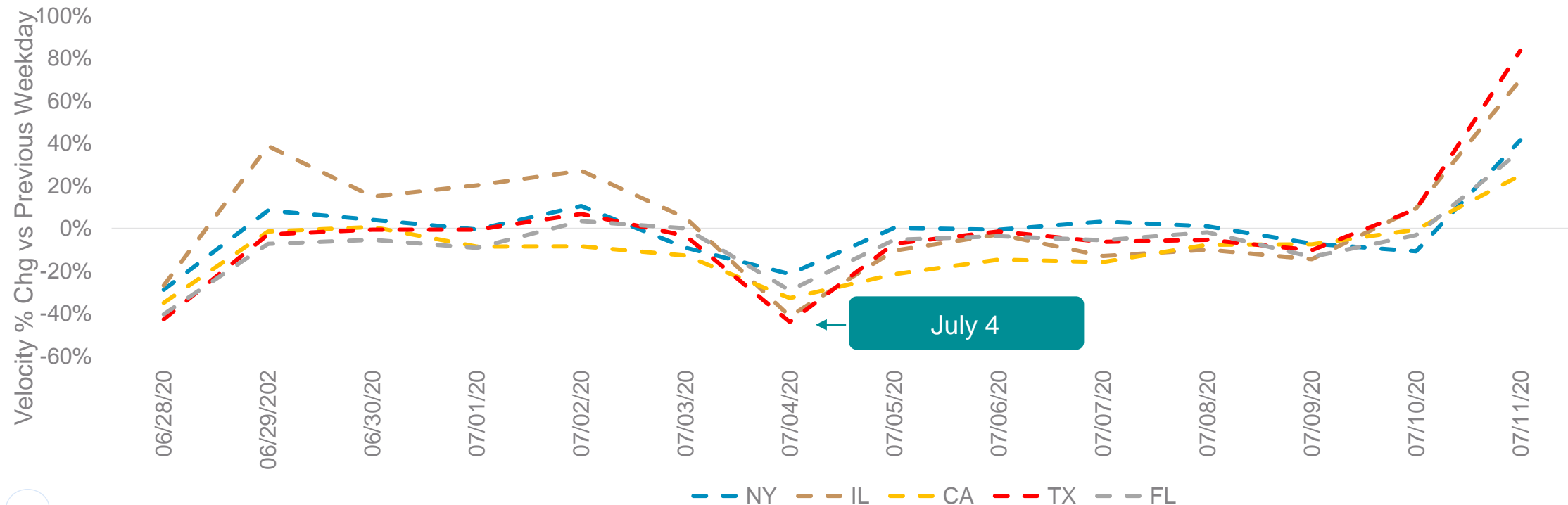
\$ VELOCITY % CHG - WEEK ON WEEK



DAILY VELOCITY

As we move further into July and COVID cases rise, daily velocity trends that were growing have flattened or declined. Velocity on July 4 was down across all states as consumers celebrated away from the On Premise, however, this then bounced back the following Saturday with strong double-digit growth in all areas.

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



N.B.

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



METHODOLOGY

RESTAURANTRAK

POWERED BY CHECK-LEVEL INSIGHTS POOL (CLIP)

Analysis of RestaurantTrak 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