

# COVID-19

## ON PREMISE IMPACT REPORT

*Nielsen CGA, November 12 2020*



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# 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 RestaurantTrak dataset up to week ending November 7 2020. |

# SUMMARY

- On Premise velocity in outlets that are currently operational has increased **+233%** in the week of November 7 v March 28 when the On Premise shutdown commenced, velocity in the latest week is down **-26%** compared to November 9 2019.
- + Average outlet \$ sales (velocity) are up **+4%** in the latest week (November 7 v October 31) across the US, this growth should be viewed within the context of declines in the week to October 31 where velocity was down **-9%** across the US vs week ago
- Of the 5 states analyzed, all are flat or in velocity growth in the week to November 7 v October 31
- Within New York, growth of **+9%** across the state in the week to November 7 follows declines of **-16%** the previous week and is largely fuelled by performance outside of the City, with NYC up **+5%** but the remainder of New York up **+14%**
- New York remains the strongest against March 28, when On Premise shutdown commenced with velocity up **+300%**, in part due to a more prominent drop in sales in March than in other states .
- Following 2 weeks of significant velocity decline, Illinois shows velocity growth of **+1%** November 7 v October 31, however Chicago enters its fourth week of consecutive decline, down **-37%** November 7 v October 10
- Velocity in California remains flat in the week to November 7. Key markets underperform, with Los Angeles, San Diego and San Francisco down **-3%**, however Los Angeles and San Francisco were the only markets explored not to experience declines in the week to October 31.
- Texas remains the best state benchmarked against performance a year ago, with velocity in outlets that are operational in Texas being down only **-7%** November 7 2020 v November 9 2019.
- Florida experiences growth of **+3%** November 7 v October 31 driven largely by performance across the board with Tampa up **+7%**.
- + All markets experienced strong declines Saturday October 31 v Saturday October 24, between **-19%** (CA) and **-41%** (IL), resulting in positive trends on Saturday November 7 vs October 31 as markets stabilize



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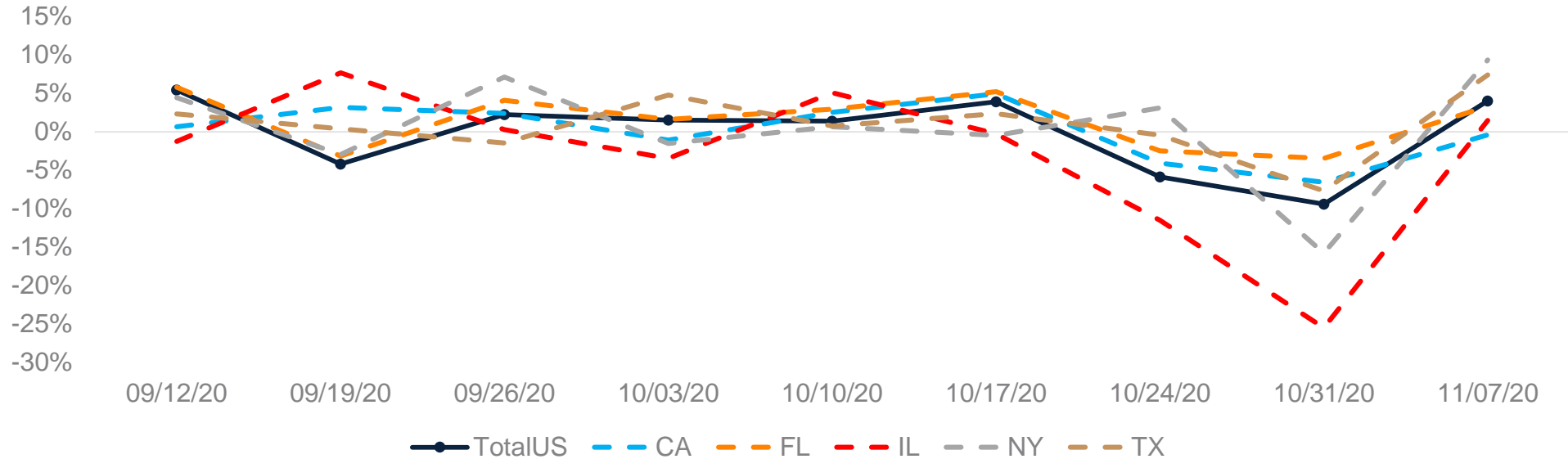
PHENOMENAL DATA. EXPERT INSIGHT.



# TOTAL MARKET SALES

On Premise velocity in outlets currently trading is **-26%** lower than the same time last year in the week to November 7, this does however represent growth of **+233%** since March 28 when the On Premise shutdown commenced. Average check value also remains strong against March 28, up **+79%**.

## \$ VELOCITY % CHG - WEEK ON WEEK





## NEW YORK STATE

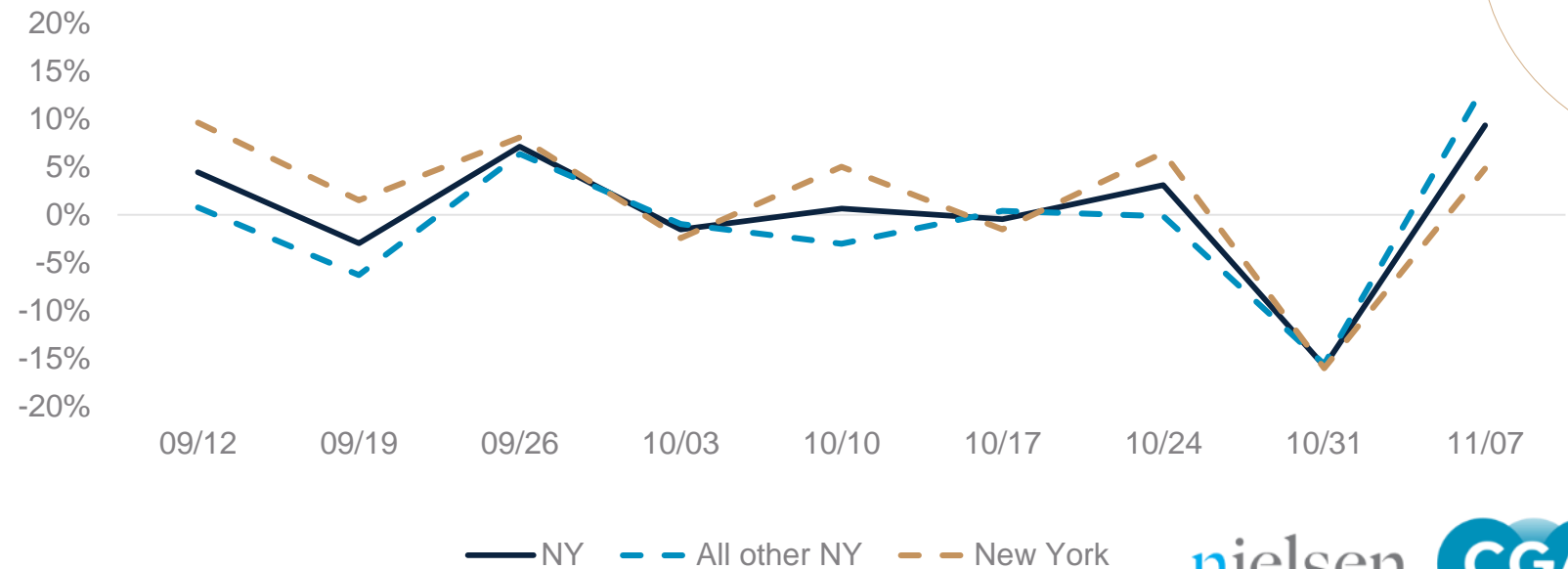
**-46%**

v November 9 2019

**+9%**

v October 31 2020

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



# ILLINOIS

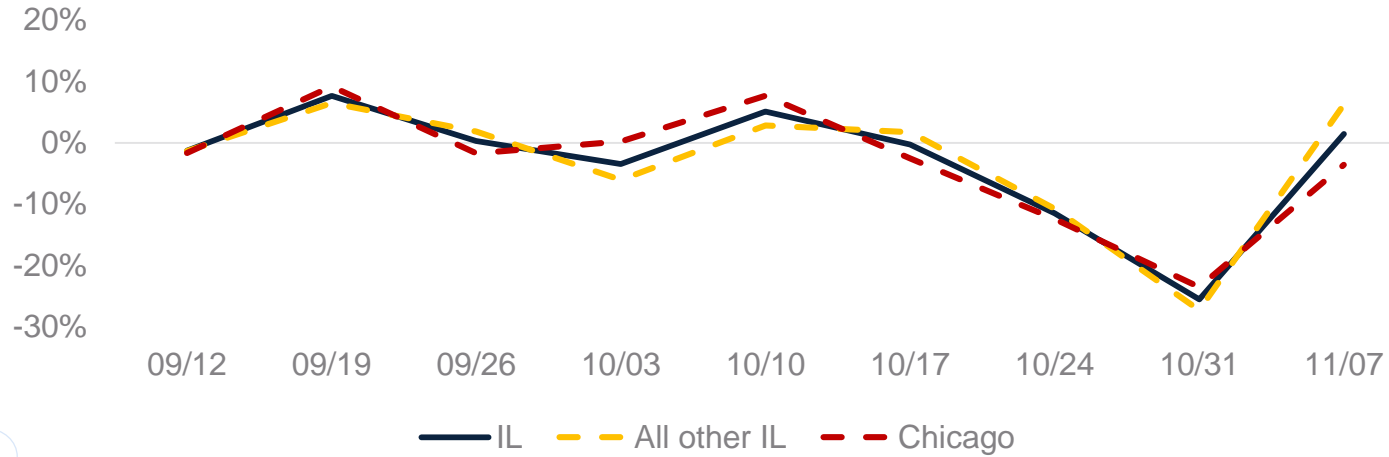
**-54%**

v November 9 2019

**+1%**

v October 31 2020

## \$ VELOCITY % CHG - WEEK ON WEEK



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

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PHENOMENAL DATA. EXPERT INSIGHT.



# CALIFORNIA

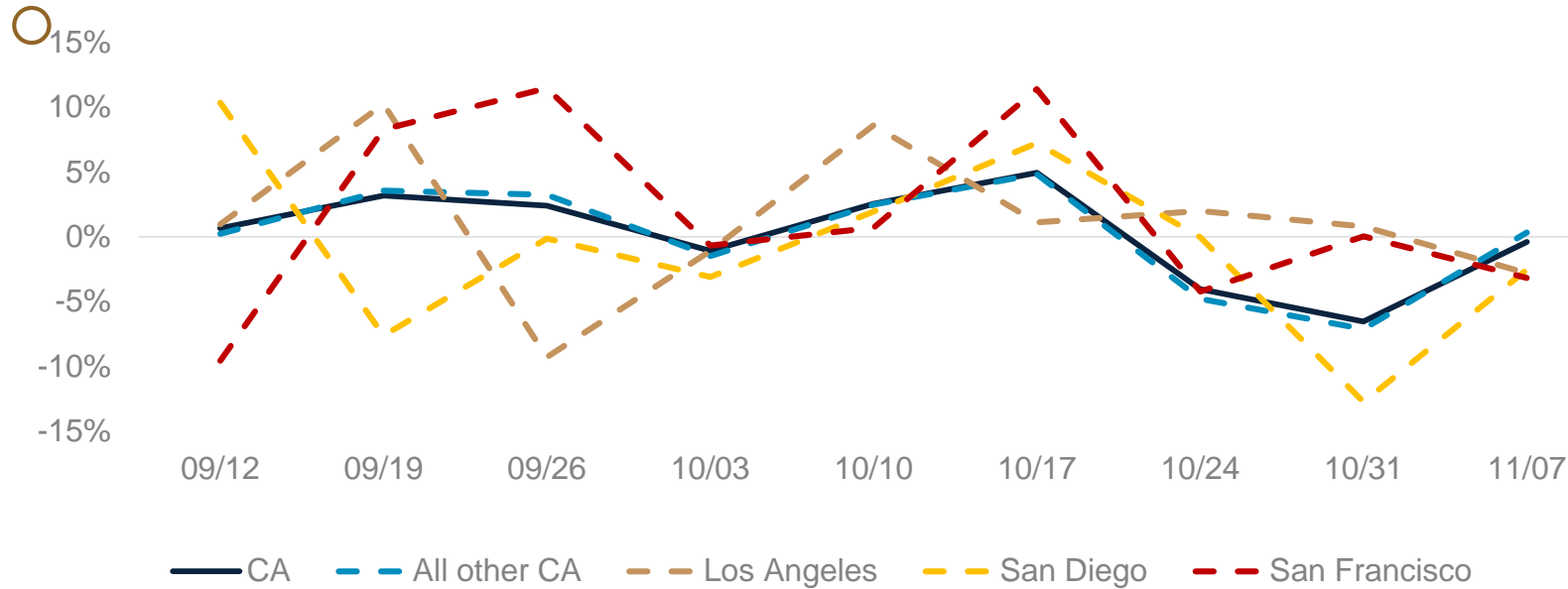
# -26%

v November 9 2019

# 0%

v October 31 2020

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



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

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# TEXAS

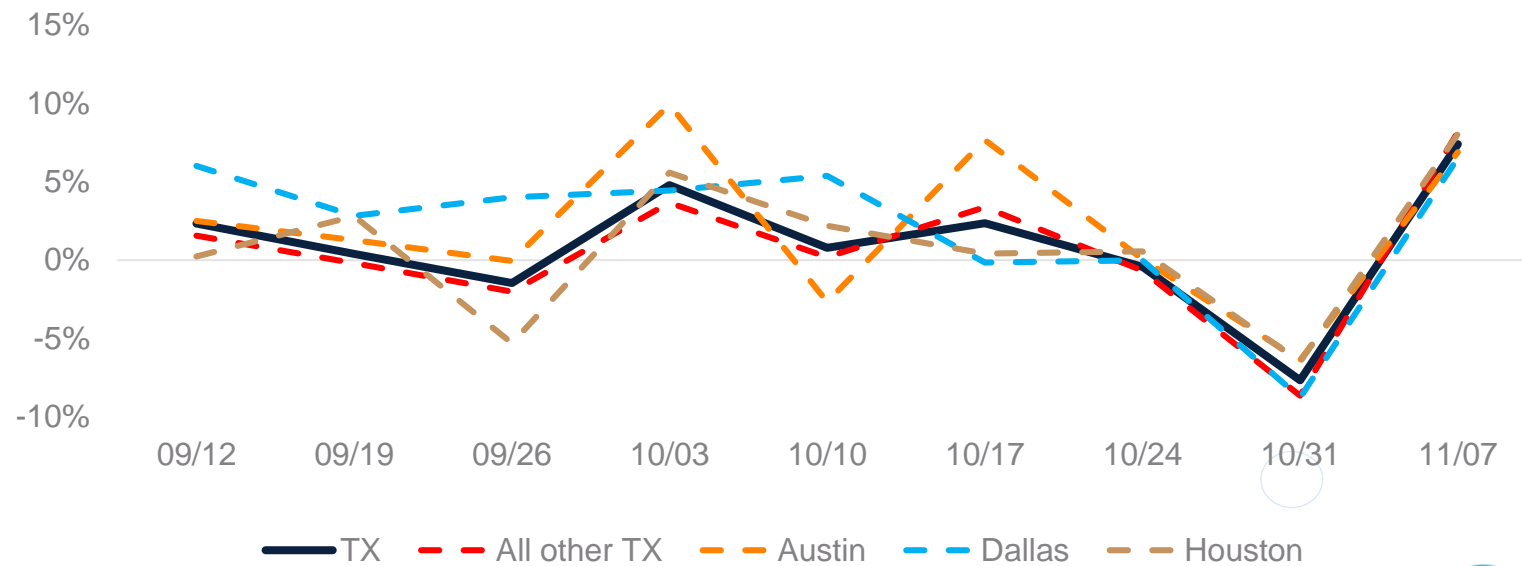
**-7%**

v November 9 2019

**+7%**

v October 31 2020

## \$ VELOCITY % CHG - WEEK ON WEEK





# FLORIDA

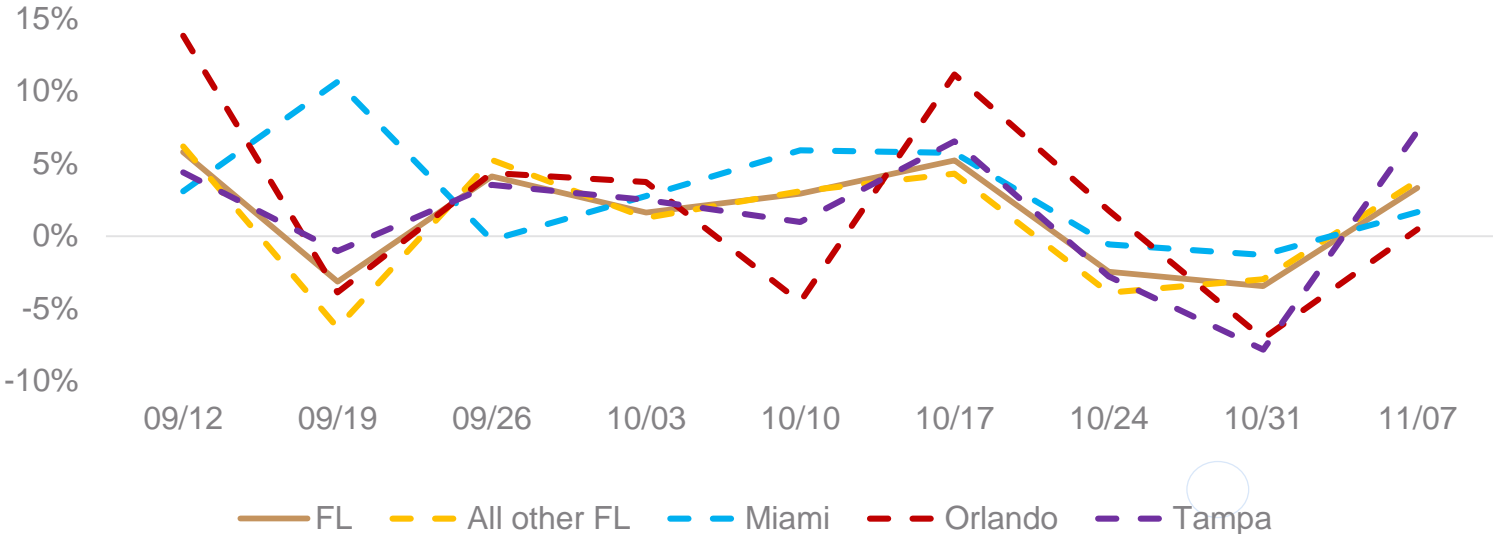
## -14%

v November 9 2019

## +3%

v October 31 2020

\$ VELOCITY % CHG - WEEK ON WEEK

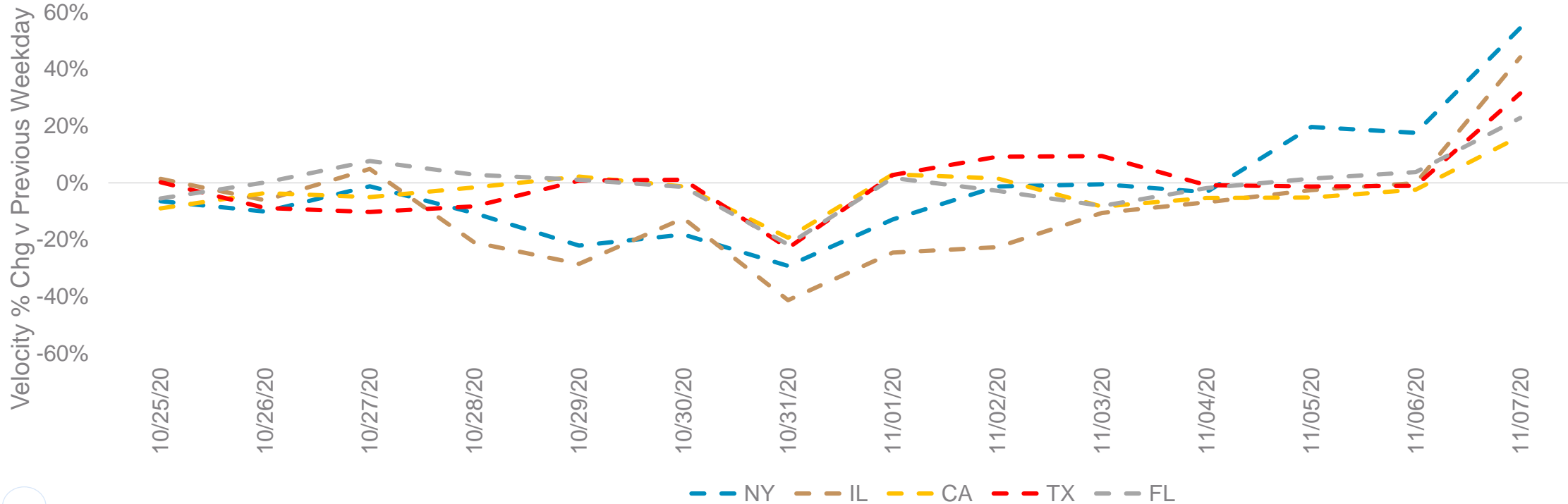


SOURCE: RESTAURANTRAK

# DAILY VELOCITY

All markets experienced strong declines Saturday October 31 v Saturday October 24, between -19% (CA) and -41% (IL), resulting in positive trends on Saturday November 7, between +16% (CA) and +54% (NY) as markets stabilize.

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



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

# 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 can 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

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## RESTAURANTRAK

POWERED BY CHECK-LEVEL INSIGHTS POOL (CLIP)

Analysis of RestoranTrak 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