

US On Premise Recovery

Presented by CGA
September 2021



About Us

We're CGA - the definitive market measurement, insight, data and research partnership consultancy empowering the world's most successful food and drink brands to fulfil their ambitions.

As a data and research agency focused entirely on the On Premise, CGA is passionate about seeing the market we love thrive once more.

As green shoots emerge in On Premise markets around the world, the Global Recovery Study uncovers new trends, threats and opportunities for brands in the wake of the global pandemic.

With insights from 24 of the most valuable On Premise markets, and learnings available from countries at different stages in their recovery, this On Premise focused study surveys over 21,000 consumers and is essential for suppliers and operators looking to maximise the opportunity and navigate the challenges posed by the returning On Premise consumer.



Matthew Crompton

Client Solutions Director: Americas
Matthew.Crompton@cgastrategy.com



Agenda

- The On Premise bounce-back
- The On Premise has changed
- What, When and Where are consumers interacting as they return to bars and restaurants?
- Latest on Delta Variant



THE ON PREMISE BOUNCE-BACK





81%

of global consumers typically
visit the On Premise

46% typically visit weekly



75%

of consumers in America
typically visited the On Premise
pre-COVID-19

63% typically visited weekly

Within America, the On Premise offers reach, salience, trial and emotional connections with adventurous consumers

On Premise opportunities

Consumption &
penetration



On average, consumers
estimate they drink

46%

of their total alcohol
consumption in the On Premise

Emotional
relationships



1 in 2

Consumers state that
experiences in the On
Premise have prompted
them to purchase drinks
in the off premise

Trial, trade up &
exploration



42%

Of consumers
typically try new
drinks in the On
Premise,
compared to 33%
who "stick to what
they know"

28%

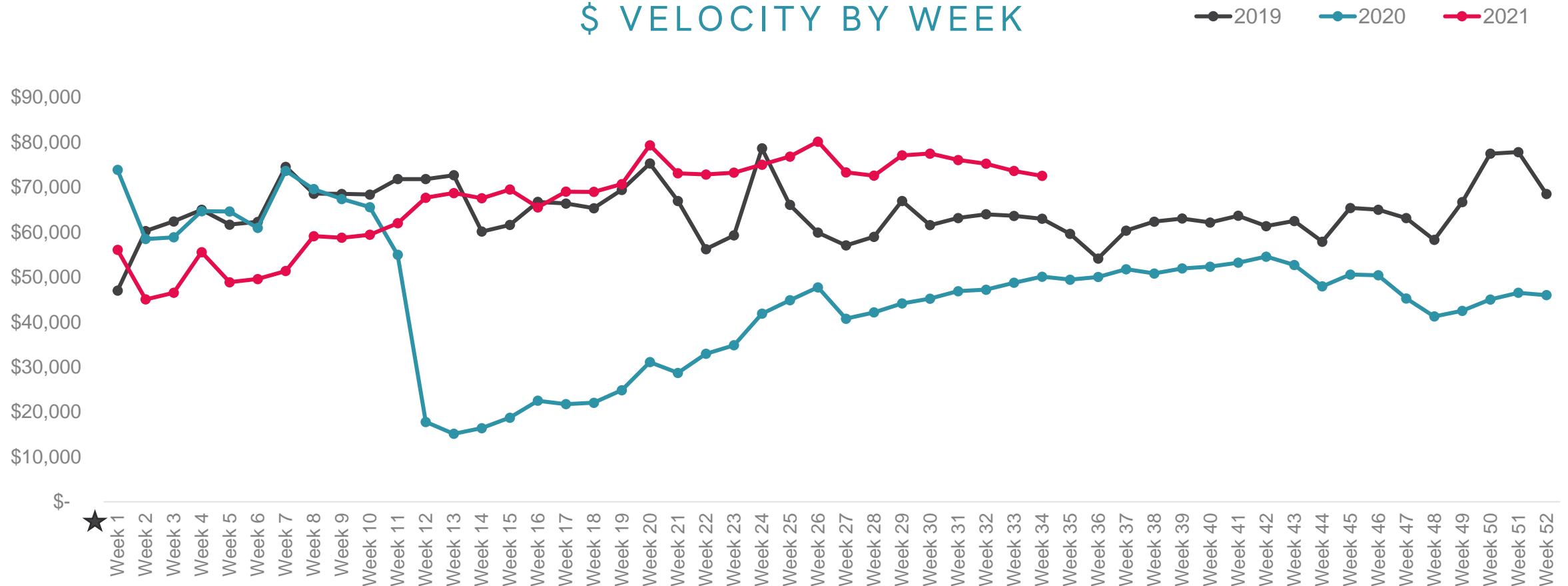
Have paid
more for
better quality
drinks



TOTAL US MARKET SALES: RECAP

On Premise velocity in outlets currently trading is **+45%** higher than the same time last year in the week to August 21. The comparable week in 2020 (to August 22), while in recovery compared to the height of restrictions, was still lower than the same week in 2019.

\$ VELOCITY BY WEEK



★ Exact dates can be found in the appendix



OPENING STAGES

100%

OF STATES ARE NOW
OPEN WITHOUT
CAPACITY
RESTRICTIONS IN BARS
AND RESTAURANTS



The On Premise has changed however...



The number of On Premise destinations has decreased significantly

of On-Premise dining and drinking outlets in US vs Pre COVID-19



278,571 -7.9%

Dining
202,390 -8.1%

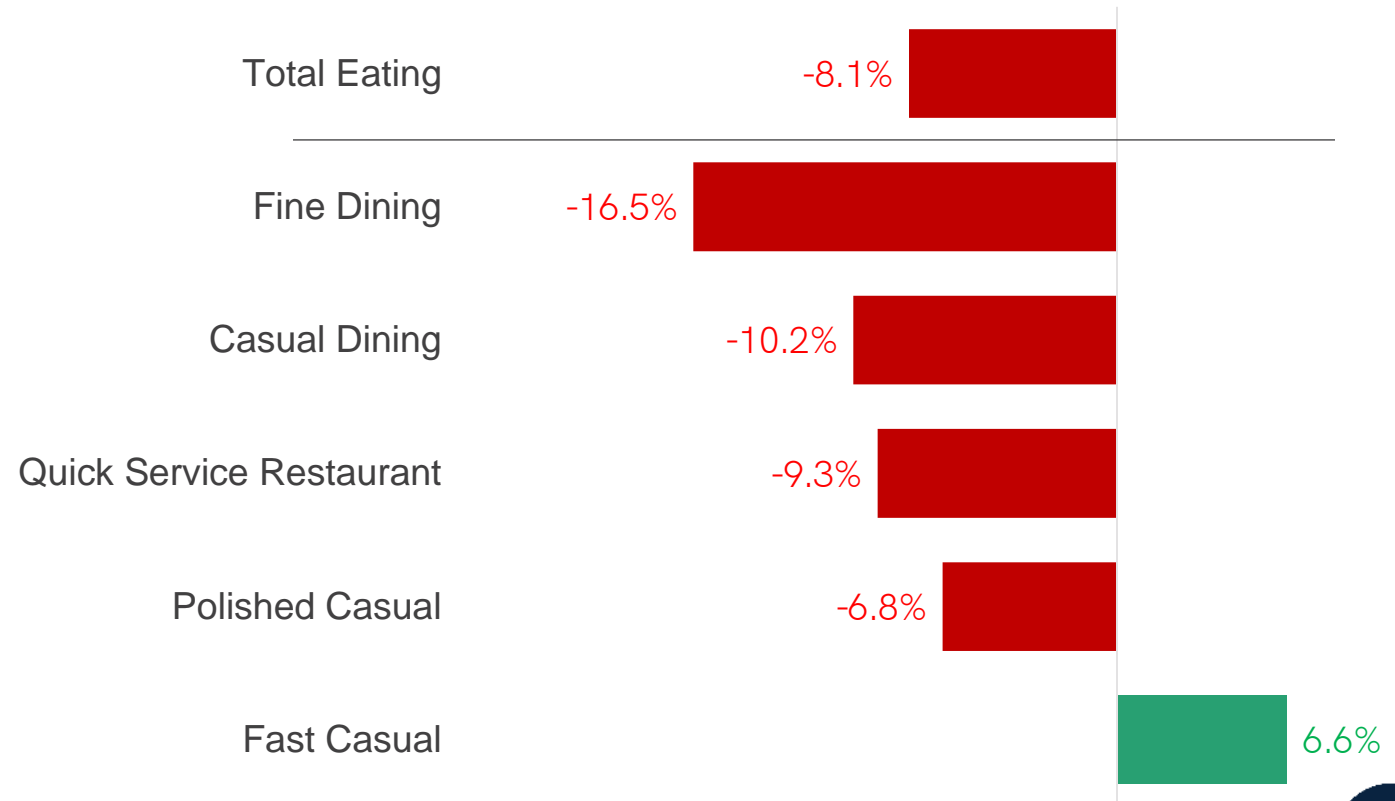
Drinking
76,181 -7.5%





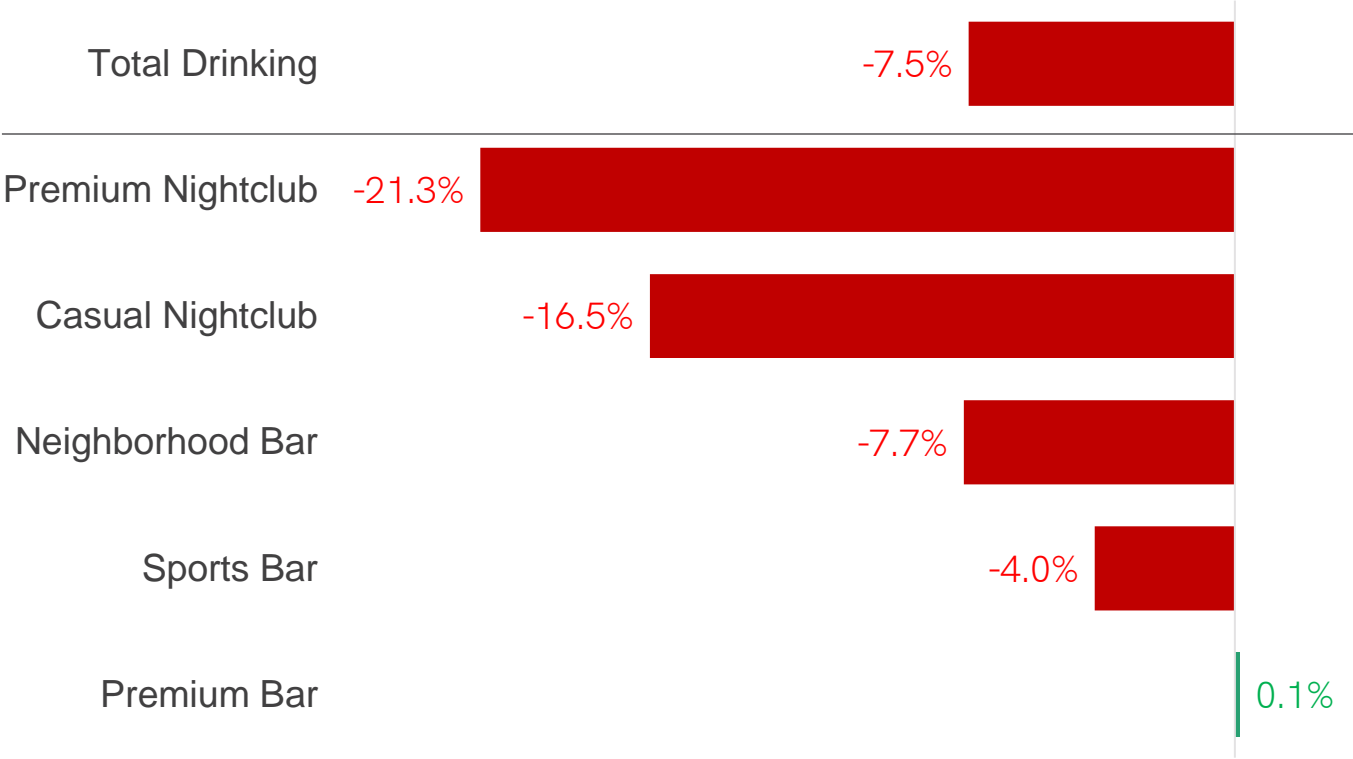
Dining outlets experienced a stronger decline than drinking, and Fine Dining was the most affected sub channel

Dining Channel % Change May 2021 vs March 2020



Although drinking channels experienced less of a decline than dining typically, decline was generally consistent

Drinking Channel % Change
May 2021 vs March 2020



Source, Nielsen TDLinx, On Premise data to 05-19-21 & 03-18-20



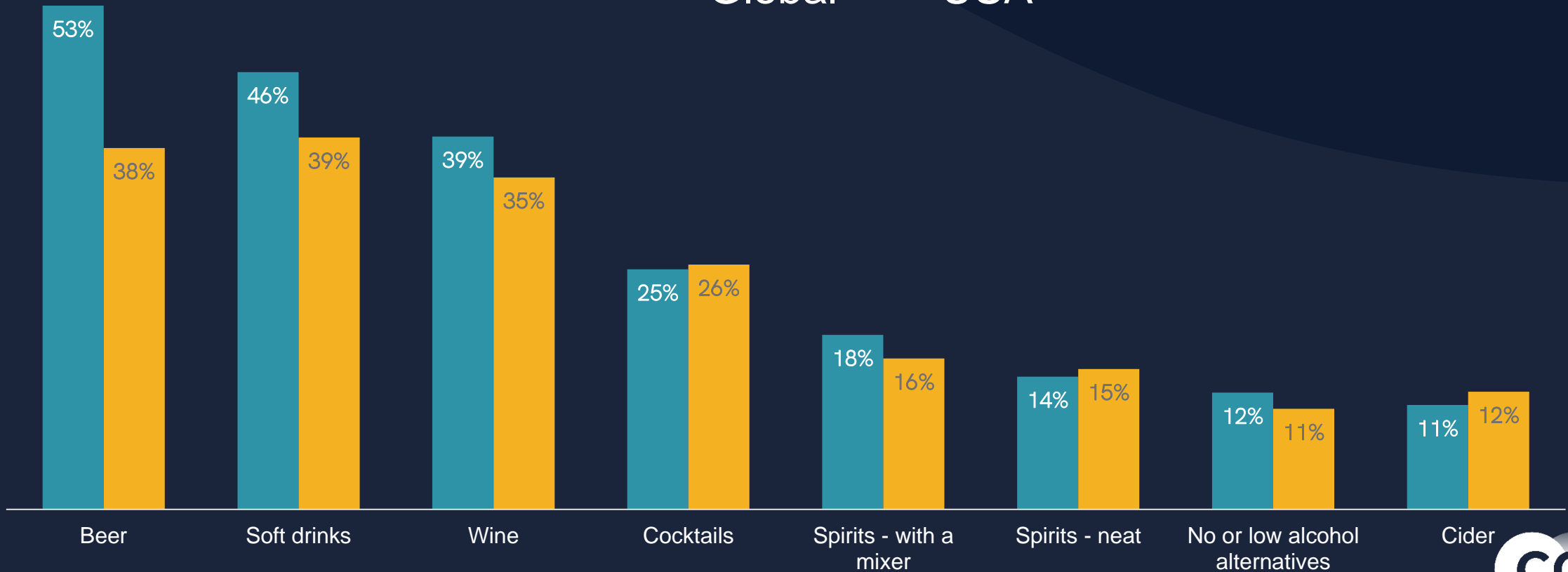
WHAT are people drinking as they return to bars and restaurants?











Globally beer is the most popular category, however in America soft drinks are the most favored category, and consumers are more likely to drink cocktails and neat spirits

Proportion of consumers drinking category in the On Premise

■ Global ■ USA

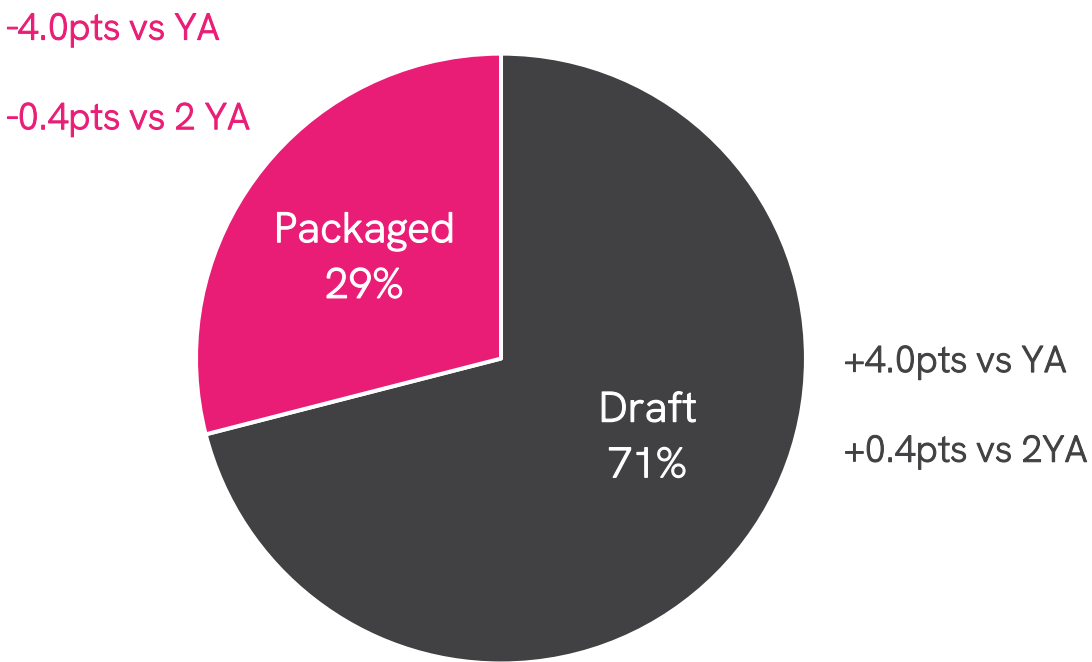


Of the subsegments all experienced growth vs YA due to the restrictions which were in place last year, and Cider experienced the greatest growth vs YA

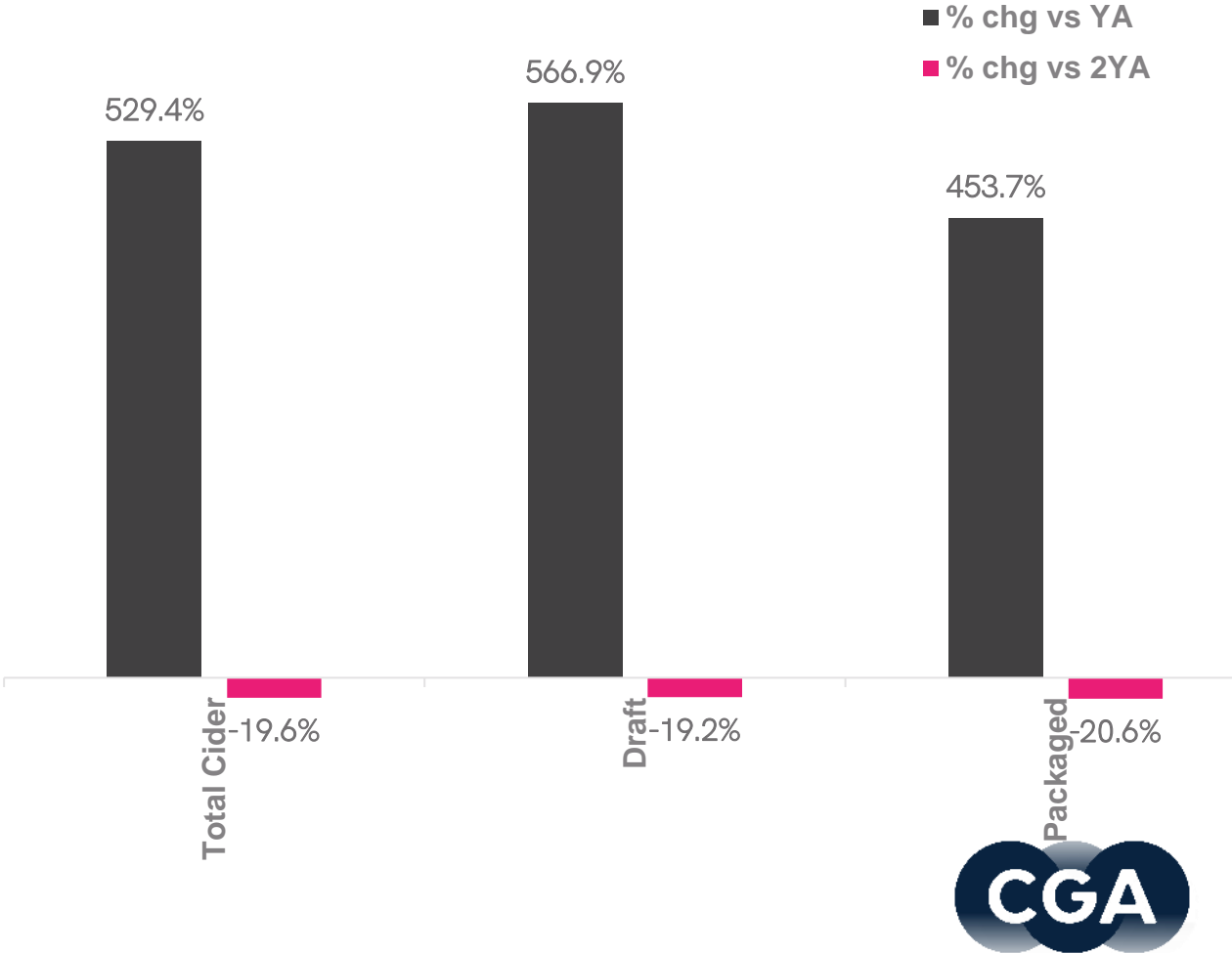
	Domestic Premium	Craft	Import	Domestic Super Premium	Hard Seltzer	Below Premium	Cider	Flavored Malt Beverage
L52 Vol Share	32.4	28.8	19.6	5.2	4.3	3.3	1.4	0.4
L52 Share pp chg	-0.3	-1.1	-0.1	+0.4	+1.2	-0.2	-0.1	0.0
								
L12 288oz (million)	30.1	27.6	19	4.6	4.2	3.1	1.3	0.4
L12 % chg	+470.0	+485.8	+460.6	+363.9	+518.7	+441.0	+529.4	+444.5
L12 % chg vs 2YA	-15.2	-15.0	-12.8	-3.6	+156.9	-18.0	-19.6	-15.5

Draft Cider accounted for the majority of Cider volume, and outperformed packaged Cider, proving important to the subsegment

On-Premise Cider Format: Volume Share L12 weeks



On-Premise Cider Format: Volume Performance L12 weeks



Source: CGA On Premise data - volume, 288oz EQ, Rolling 12 w/e 06/19/2021 vs YA, 2YA

There are some consumers who are spending more when visiting, highlighting their pent-up demand

Thinking about how much, on average, you spend on alcohol per visit at bars and restaurants now versus pre COVID-19, have you been spending...

LESS than
pre-COVID-19

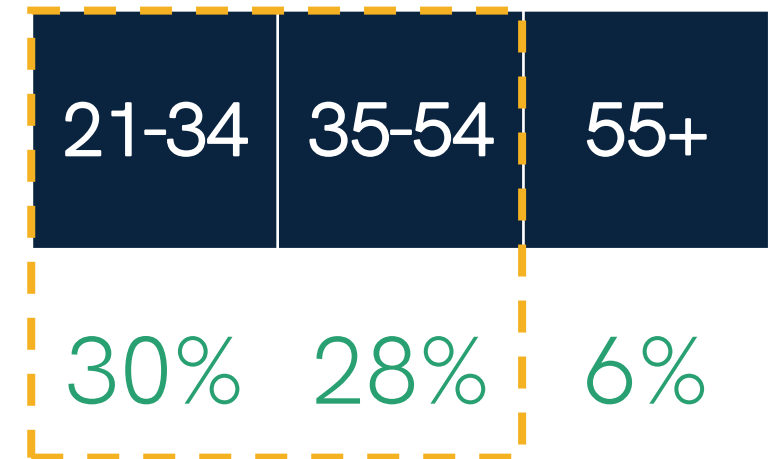
23%

The **SAME** as pre-COVID-19

57%

MORE than
pre-COVID-19

20%



Average check value has seen a significant increase since 2019

\$36

Average Spirits
check value 2019

\$43

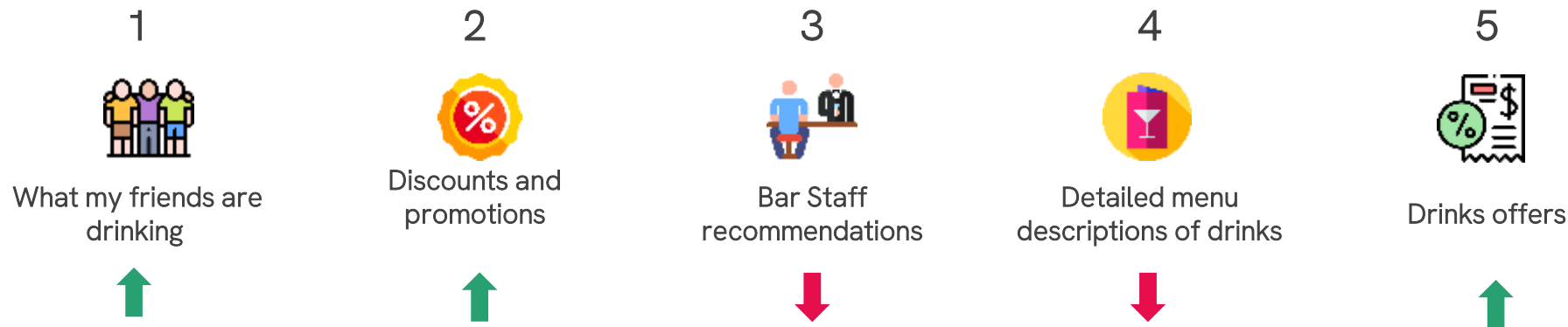
Average Spirits
check value 2021



“What my friends are drinking”

Is the number one influencing factor for drinks choice in the On Premise globally

Top 5 influencing factors for drinks choice post-Covid (Compared to pre-Covid):





45%

of consumers have only chosen drinks/drinks brands they are familiar with and trust since COVID-19

vs **31%** of consumers who always chose the same drinks/brands pre-COVID-19





27%

of consumers have tried
new/different drink brands
since COVID-19

vs 36% pre-COVID-19



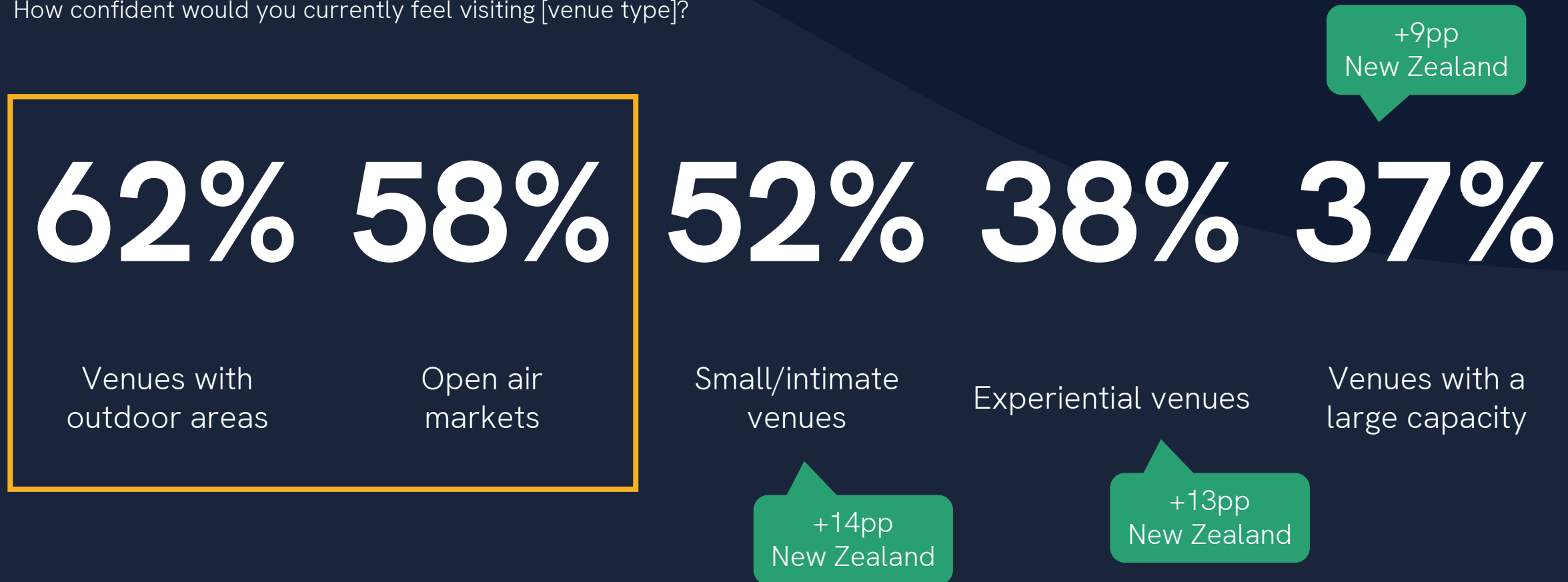


WHERE are people drinking as they return to bars and restaurants?



As consumers build confidence during their initial low tempo On Premise visits, and the market recovers, we expect to see confidence visiting indoor and large capacity venues increase

How confident would you currently feel visiting [venue type]?



Venues which have outdoor patios prove appealing to On Premise visitors

On a scale of 1-10 (10 being very important), how important or unimportant would you say it is for a restaurant/bar to have an outdoor patio during the summer?

0 - 5

6 - 8

9 - 10

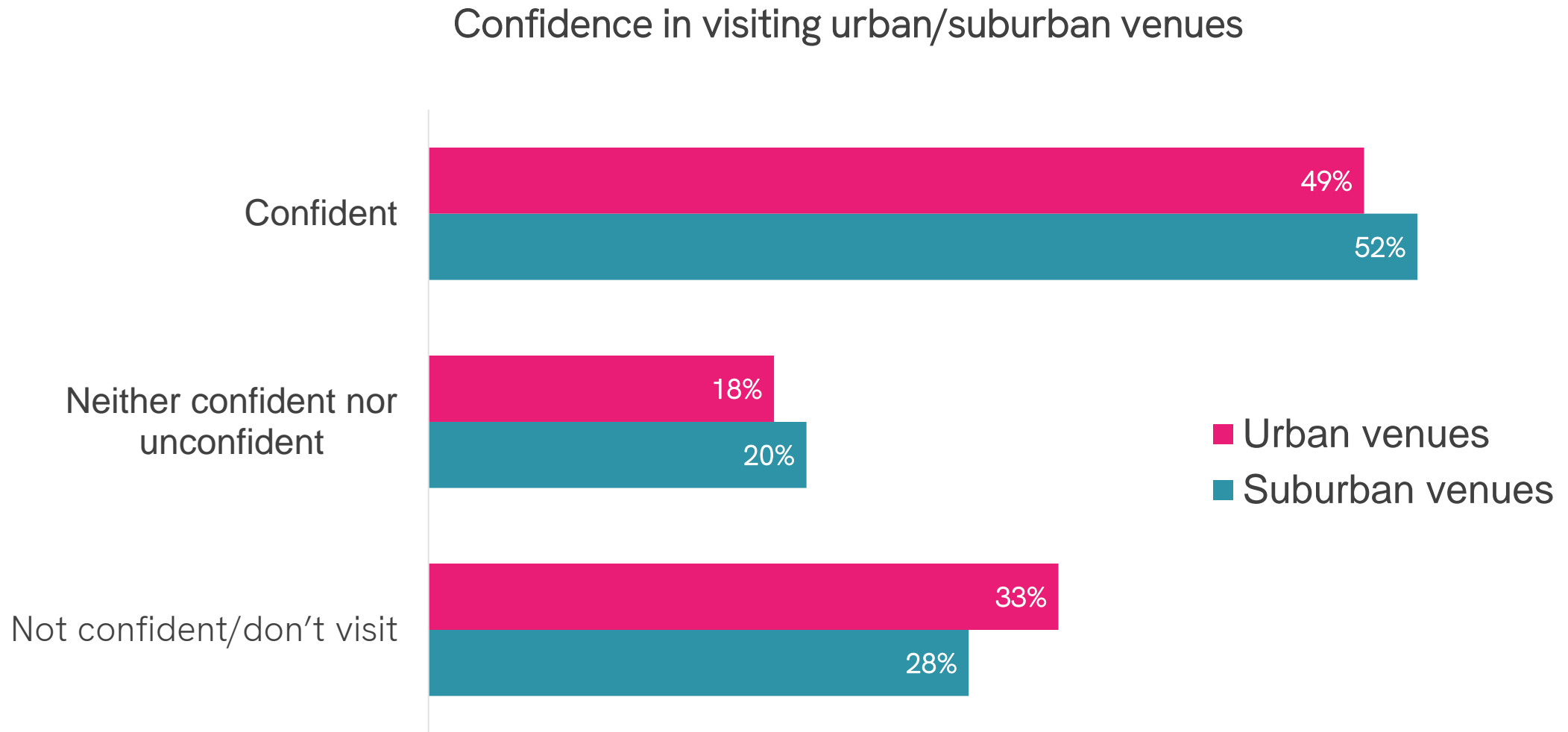
21%

38%

41%



While it is important to target both urban and suburban areas, consumers are most confident visiting suburban venues





Changing behaviors and lifestyle factors caused by COVID-19 are driving changes in On Premise visitation

58%

of workers are currently working from home



74%

Of consumers who work from home
predict they will continue working from
home at least infrequently post-COVID-19

with **50%** stating they will work
from home most of the time

vs 38% in Australia
& 39% in New Zealand



Delta Variant Latest



VISITATION OF BARS AND RESTAURANTS IN THE PAST 2 WEEKS



22% Visiting less than pre
COVID-19



23% Visiting more than pre
COVID-19



55% Visiting the same as pre
COVID-19

Factors influencing your decision to visit bars and restaurants less often than usual in the last 2 weeks?

I am concerned about the rise of Delta variant
COVID cases

15%

I have less disposable income

5%

My friends and/or family are more reluctant to go
out

5%

I haven't been meeting in social groups as often

5%

Restrictions (e.g. mandatory masks, social
distancing) in venues put me off

3%

Contacts

To learn more about how you can win in the On Premise through influencing the Path to Purchase please get in touch:



MATT CROMPTON

Client Solutions Director

matthew.crompton@cgastrategy.com

