

VIBE CONFERENCE

VERY IMPORTANT BEVERAGE EXECUTIVES

**September 27-29, 2021 | Omni La Costa Resort & Spa,
Carlsbad, CA**



bar &
restaurant

AN EXPERIENCE FROM
questex

CGA Strategy

2021 Annual VIBE Consumer Trends Survey

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Contents

The 2021 VIBE consumer trend study!

- + This year, CGA was commissioned to expand the previous consumer study of 1,000 consumers to an even larger, nationally representative, sample of 5,000 consumers. All participants needed to have:
 - + Visited a Casual or Fine Dining concept or Hotel Restaurant in past 30 days
 - + Must have consumed alcohol on their visit
- + Today we will present a summary of the findings however a full slide pack is available upon request
- + This presentation also includes data from various other CGA research programs:
 - + **CGA's On Premise Measurement (OPM) service**
 - + **CGA's BeverageTrak** - check-level sales data from c15,000 outlets
 - + **CGA's REACH Study** – On Premise consumer research for 14 countries
 - + **CGA's bi-monthly Consumer Pulse Surveys**
 - + **CGA's Path to Purchase Report**



We are in a market of 4 C's!

Change

- + Openings / Closures
- + Sales
- + Takeout / Delivery

Consideration

- + Visitation Drivers
- + Happy Hour

Choice

- + Category Assortment
- + Path to Purchase

Concern

- + COVID Delta variant
- + Key takeaways



Change

The On Premise has come through a period of unprecedented change...and it's not over yet.

The number of On Premise destinations has decreased

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



282,201 -6.7%



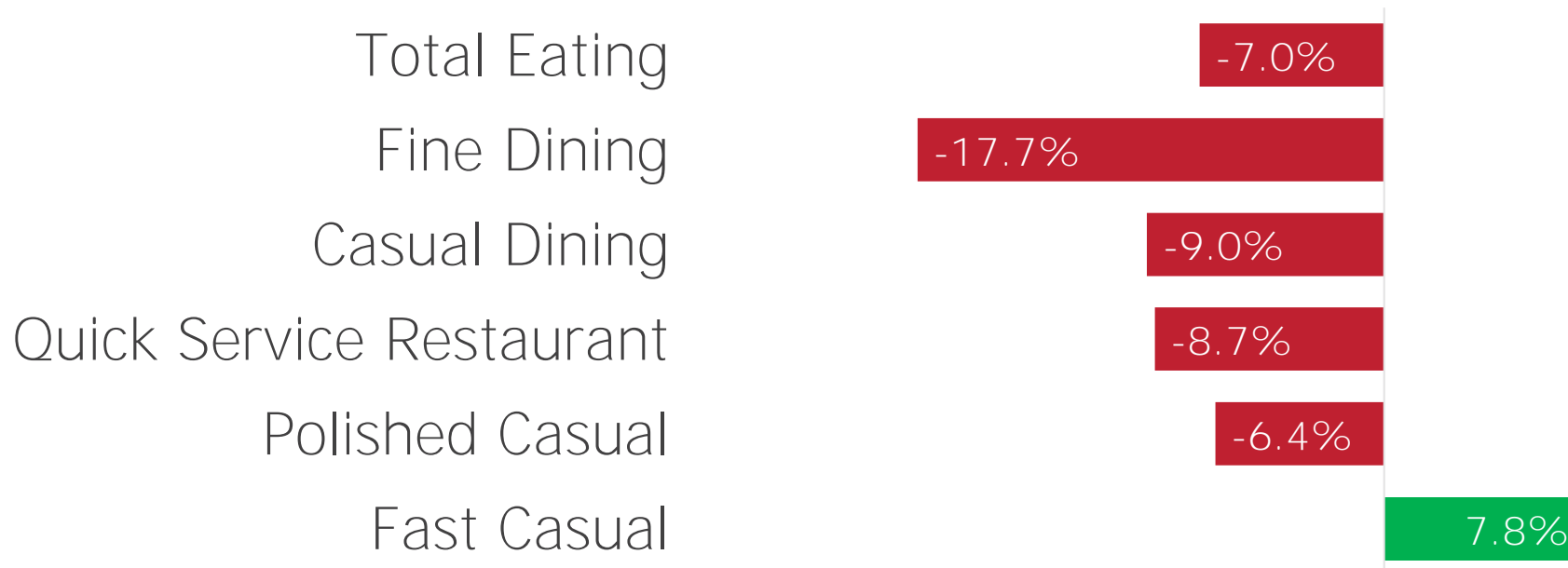
Dining
204,759 -7.0%



Drinking
77,442 -6.0%

Dining outlet decline was driven by fine dining

Dining Channel % Change (August 2021 vs March 2020)



Fine Dining outlets in City Centers were most affected

Spiaggia Closes After 37 Years, Marking the End for Chicago's Top Italian Restaurant

Ownership says it could not reach a compromise with its landlord

by Ashok Selvam | @Shokdiesel | Updated Jul 9, 2021, 3:16pm CDT

f t SHARE



Chicago's Beloved Blackbird Is the Latest to Fall to COVID-19

The Michelin-starred restaurant was a West Loop landmark for two decades

by Ashok Selvam | @Shokdiesel | Jun 30, 2020, 10:14am CDT

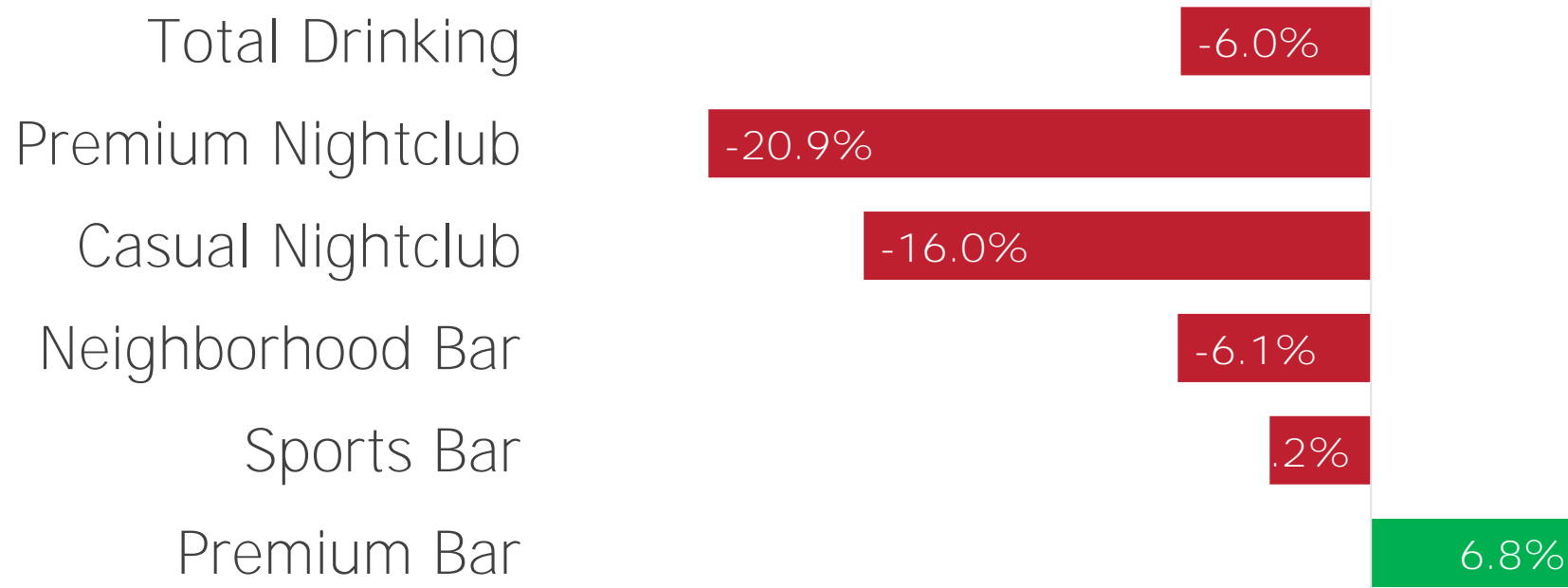
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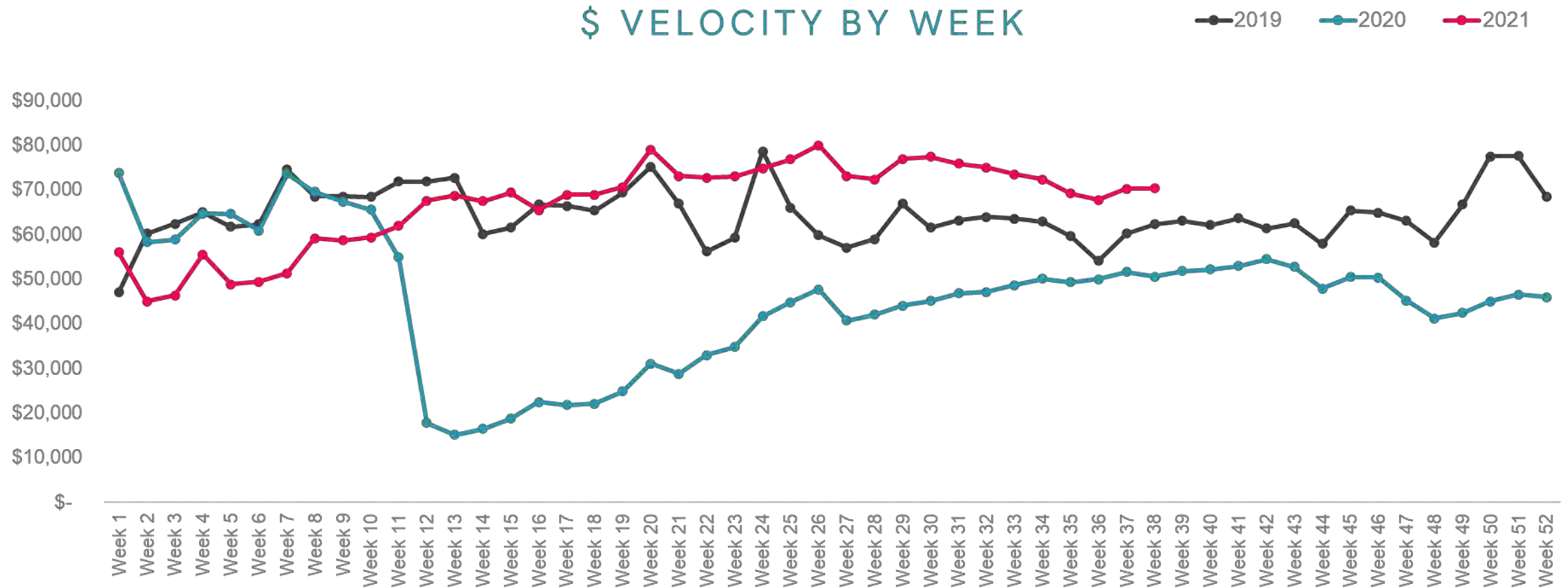


Late night drinking venues were worse hit

Drinking Channel % Change (August 2021 vs March 2020)



Value sales – for outlets that have remained open - have remained steady, and **outperformed 2019** for 12 weeks



Average sales per outlet is **higher**
than in 2019

September 4 2021

\$67,814

+ 35%
vs 2020

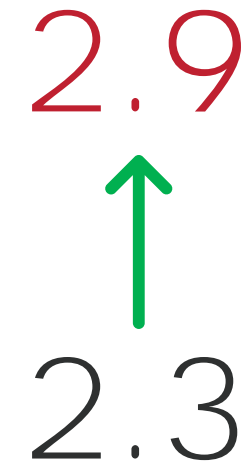
+ 25%
vs 2019

Consumers engage in fewer occasions but with **increased alcohol consumption** per occasion

How often do you go out each week and dine in a restaurant or bar?

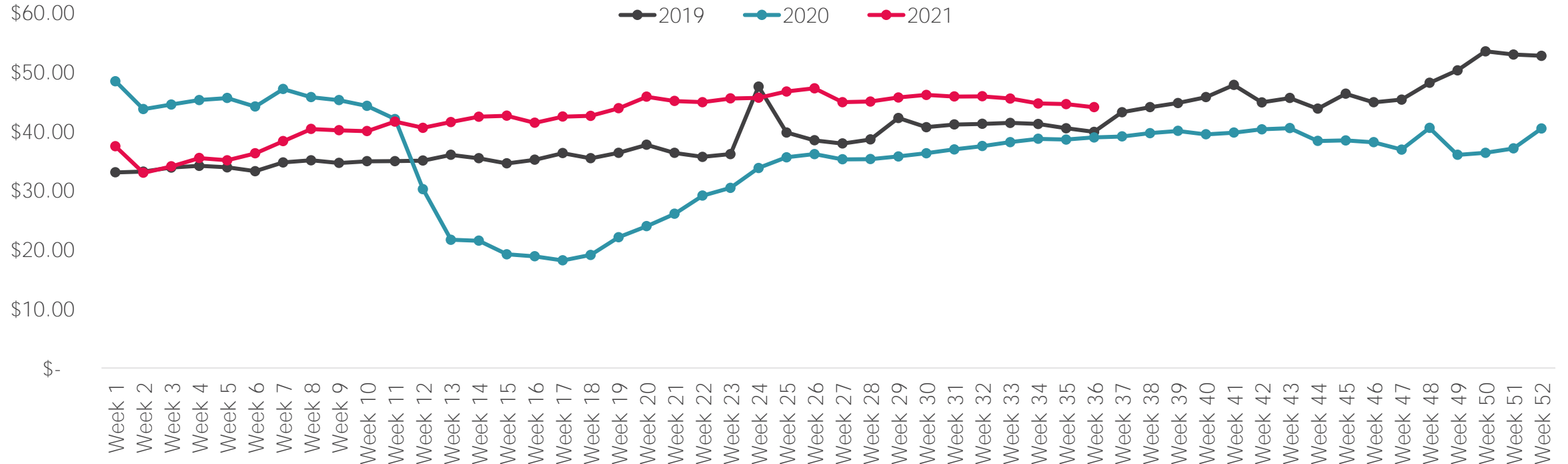


When you order alcoholic drinks in a restaurant or bar, how many total drinks do you order on an average visit?



As check value has been higher than in 2019, consumers engaging in post-COVID-19 celebrations

Average check value by week




Sales have seen a clear shift to the weekend

Change in share of total value 2021 vs 2019

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Spirits	0%	0%	0%	-1%	0%	0%	+2%
Beer	-1%	0%	-1%	-1%	0%	+2%	+1%
Wine	-1%	-2%	-2%	-1%	+1%	+3%	+2%

The weekend shift is driven by both operator constraints & consumer demand

The Drifter
Hours & Location
676-8 N Orleans St,
Chicago, IL 60654
Wednesday - Saturday
5:00 PM - 2:00 AM
Sunday - Tuesday
Closed


BLIND BARBER
Barber Shop Hours
10am - 8pm, Sunday - Saturday
Backroom Bar Hours
5pm - 12am, Thursday - Saturday

café kurmiko
11 AM - 8 PM
thursday - saturday

BRUNCH
etna
MORNING COCKTAILS

 mimosas for the table — 45 bottle of bubbles, juices and our hospitality	 bloody mary — 14 sneaky fox vodka, etna bloody mix, salty and pickled things	 paloma — 14 milagro tequila -or- 400 conejos mezcal, lime, salt, grapefruit jarritos
 spring forward — 16 bacardi 8 year rum, st. germain, chamomile, cinnamon, lemon	 the "etna" rita — 16 centenario, cointreau, lime	 Michelada — 7 lager, lime, salsa, maggi

Takeout offers opportunity

How often do you get restaurant delivery or takeout each week?

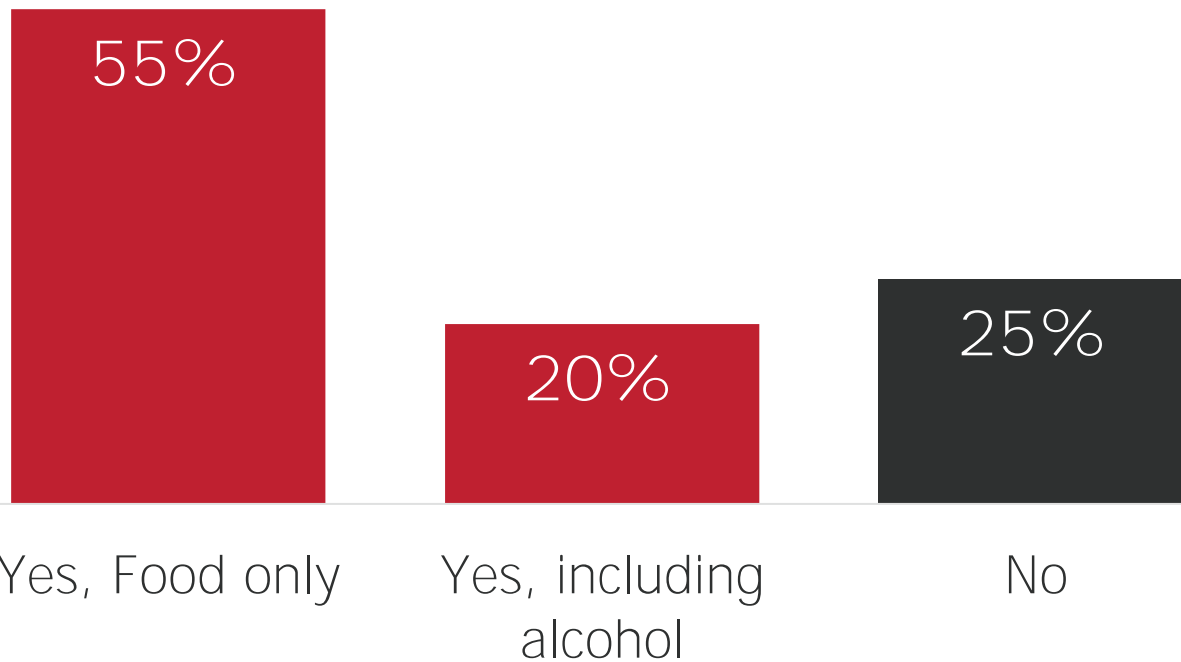
2021		2019
2.1	vs	1.9

Which type of restaurants do you order takeout or delivery from?

Chain	Independent	Both
32%	28%	40%

Where allowed, provide alcohol in takeout menus to increase bev al revenue

Do you plan on ordering takeout / delivery of food and/or alcohol in the next two weeks?



What type of alcoholic drinks do you order with takeout or delivery from restaurants?



60%



55%



39%



31%



Ecommerce is increasing in importance

When you order food for delivery, how do you usually place your order?

	2021	2021 vs 2019
Online / Apps	59%	+19pp
Phone Call	41%	-19pp

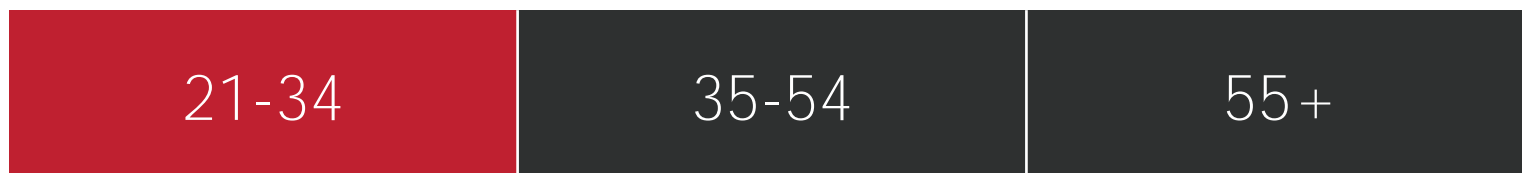
Over half of under 35s research a venue's drink list before visiting showing the importance of outlets' digital footprint

% agree: "I usually research a venue's drinks list before visiting it"



Average consumer

35%



55%

45%

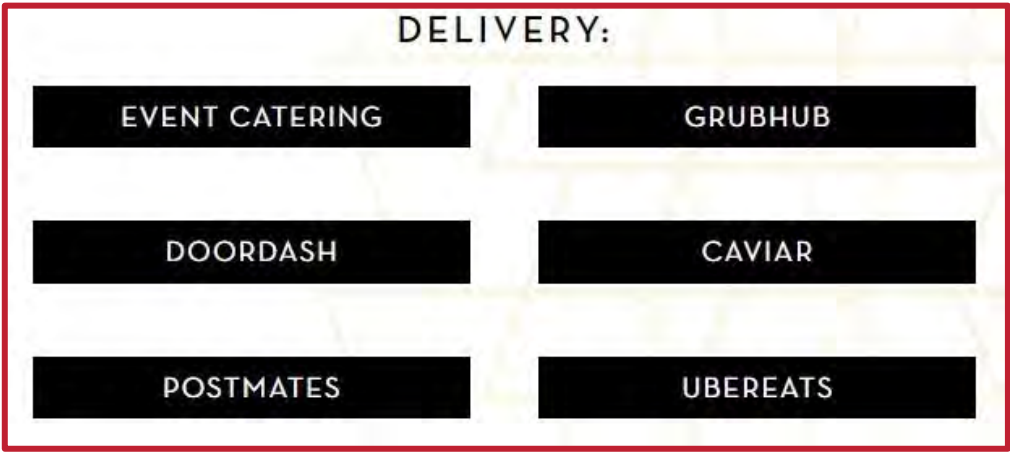
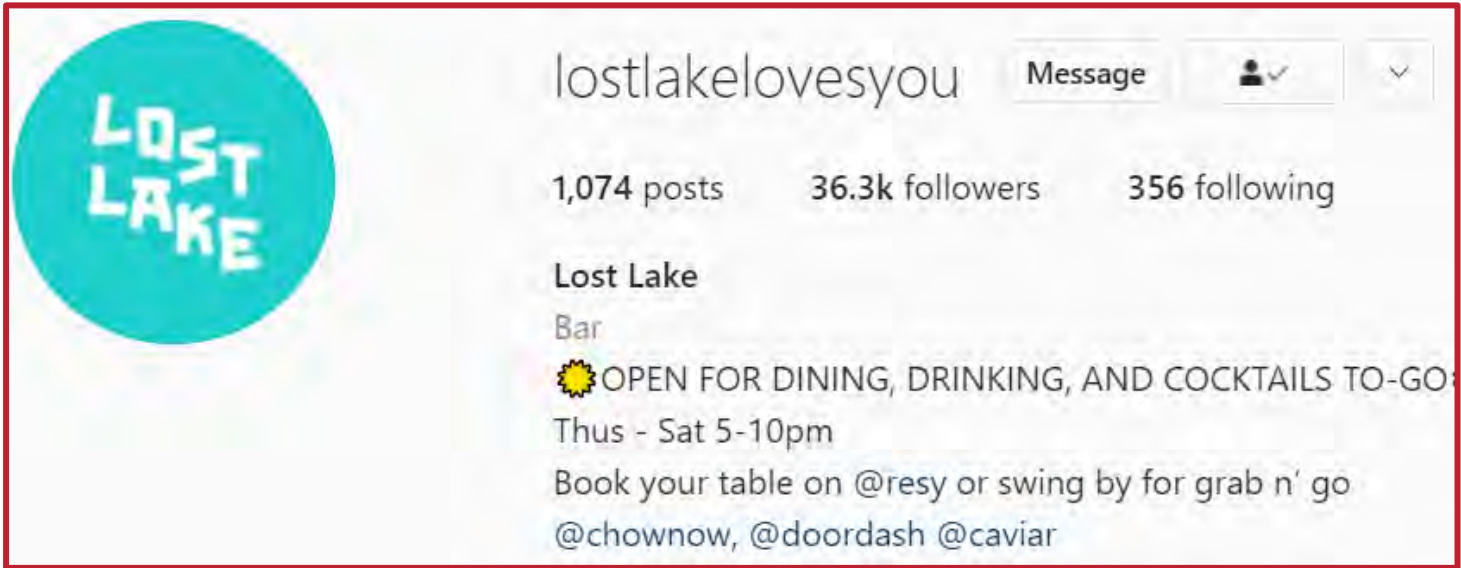
13%

Spirits drinker



50%

On Premise and digital opportunities facilitate to-go sales



Takeout food can drive in outlet traffic

Does takeout make you more or less likely to eat in at that restaurant in the future?

More likely to eat in

No difference

Less likely to eat in

54%

43%

3%

+12pp vs 2 YA



Change Summary

- + Total outlet universe has decreased
 - + Outlets that are open have averaged higher sales than 2019
- + Consumers are visiting the On Premise slightly less frequently than 2019, however, they are drinking and spending considerably more
- + Weekends are more important now than ever before
- + Takeout and delivery trends are here to stay and can complement On Premise visits when managed strategically



Consideration

Guests are even more considered in their choices of where to visit and why

Within the US, 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

Does your **drink preference change** depending on whether you're visiting bars and/or restaurants compared to having drinks at home?

45%

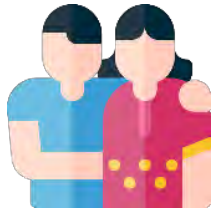
Yes, my drink choice changes

50%

No, my drink choice does not change

5%
Unsure

Who do you visit bars and/or restaurants with?



Partner/
spouse

52%



Friends

48%



By myself

23%



Family with
kids

21%



Family without
kids

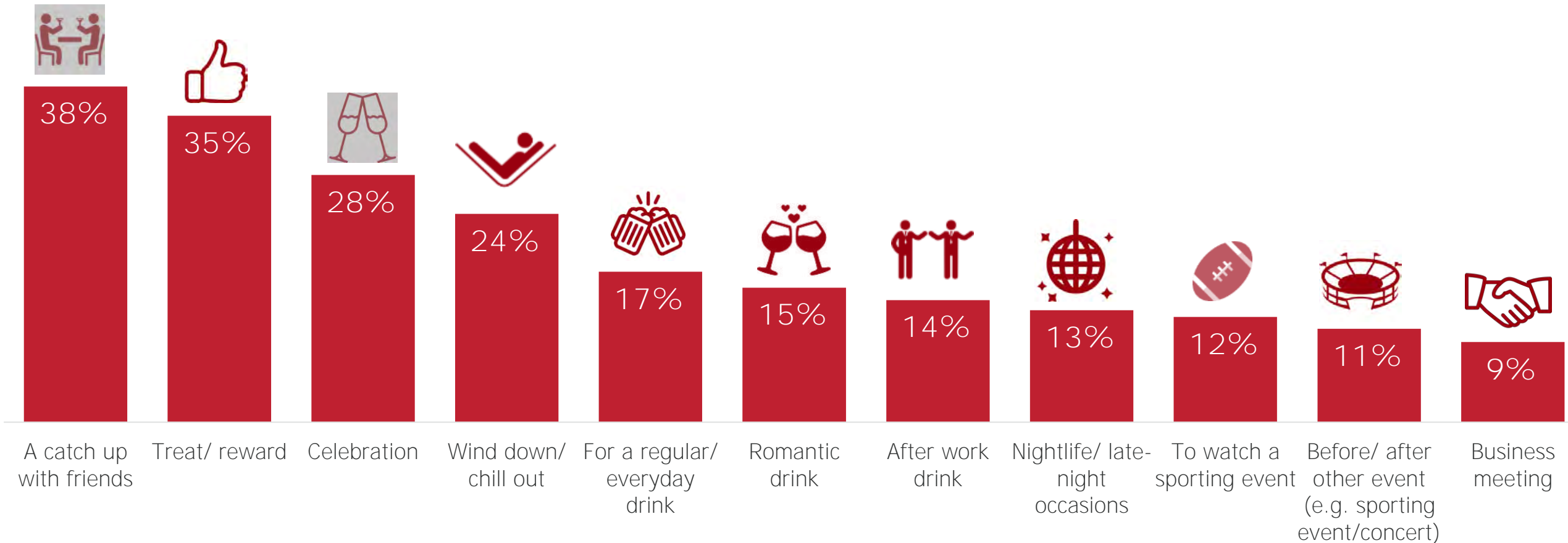
17%



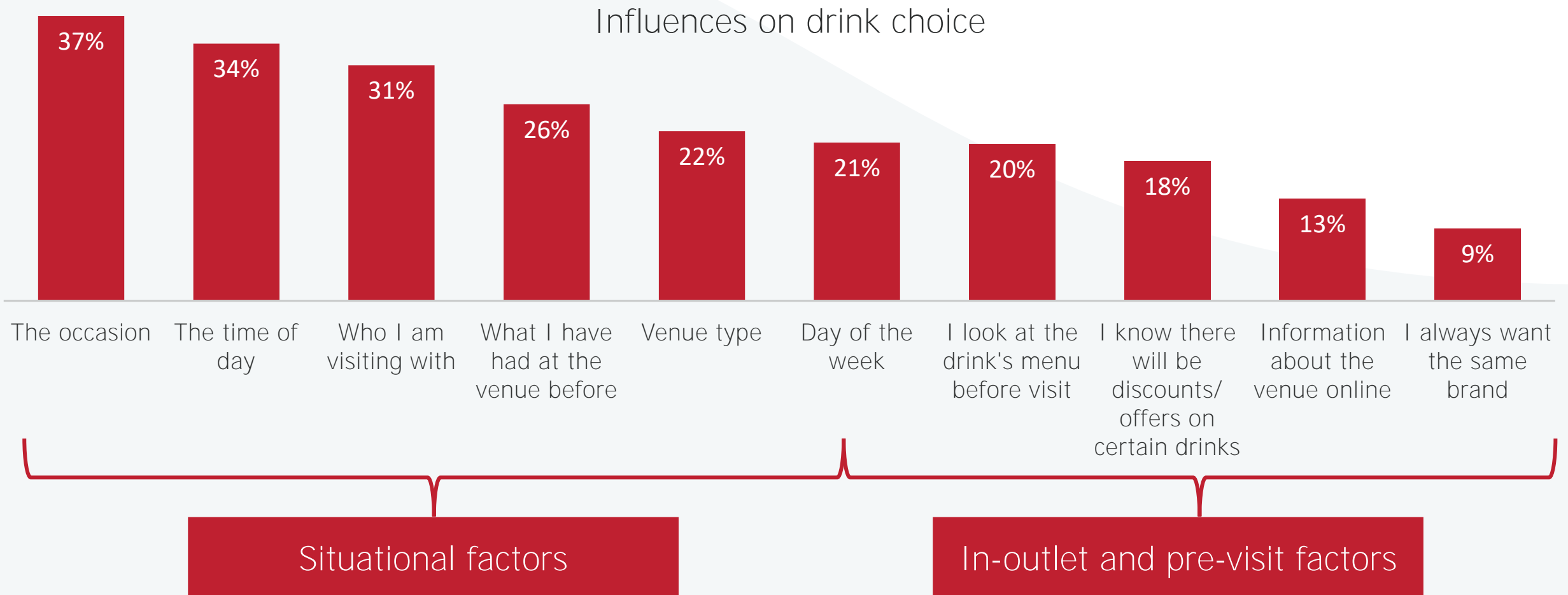
Work
colleagues

12%

Thinking about your visits to bars and restaurants, what have been the **occasions** for these?



Drink choice is based on situational factors and typical occasion dynamics



Dining venues are key to the sector

What type of restaurants and bars do you go to most often?
(Top 5)



Casual dining chain restaurant

55%



Local independent casual dining restaurant

47%



Fine dining restaurant

30%



Local neighborhood bar

23%

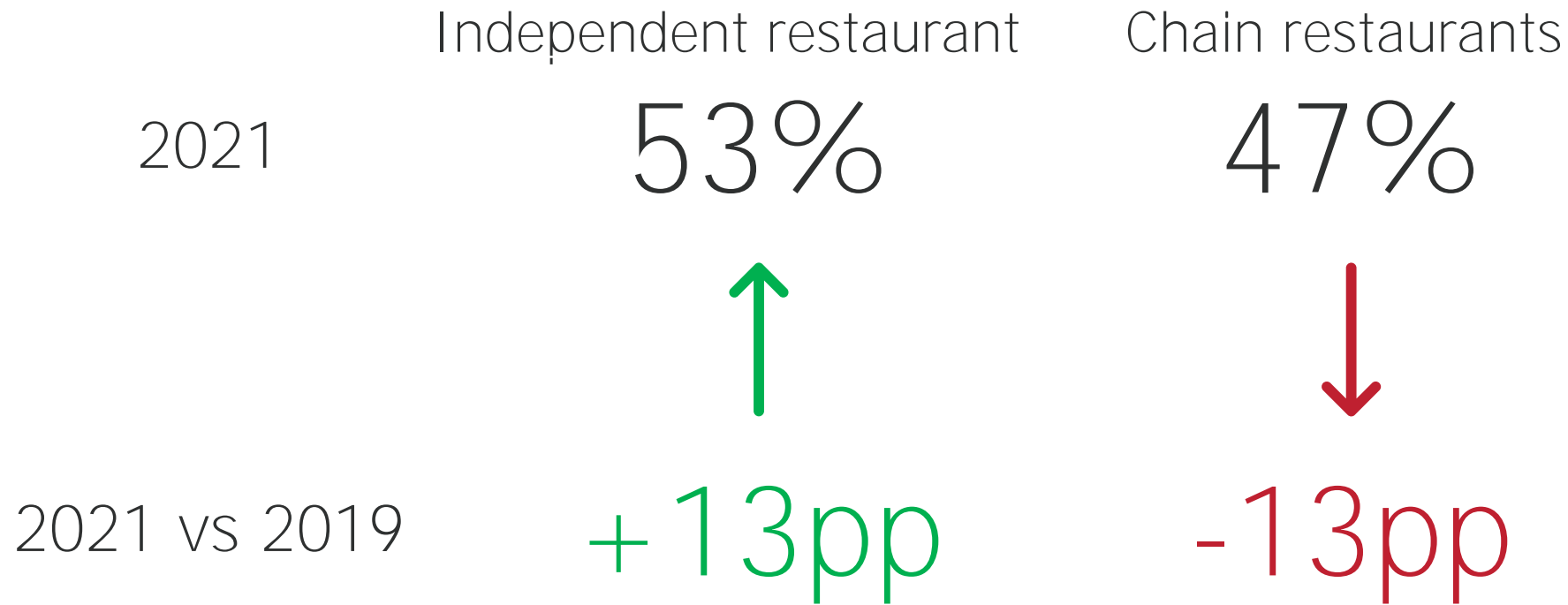


Sports bar

23%

Independent restaurants are increasing in popularity

Which type of restaurants do you prefer to visit?

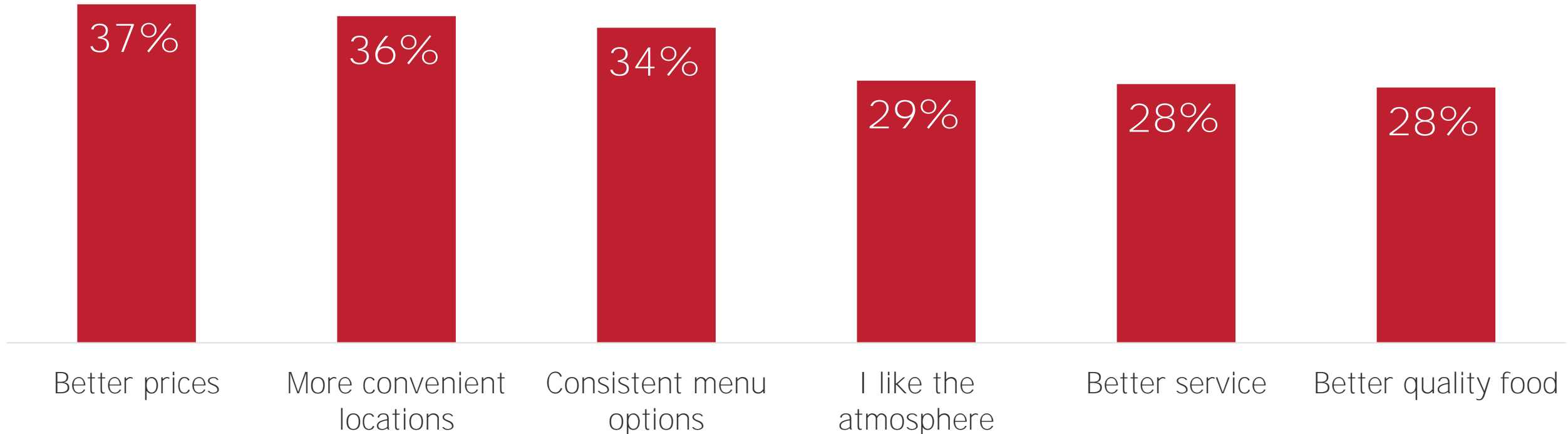


Effective campaigns and media coverage have promoted **independent mindshare**



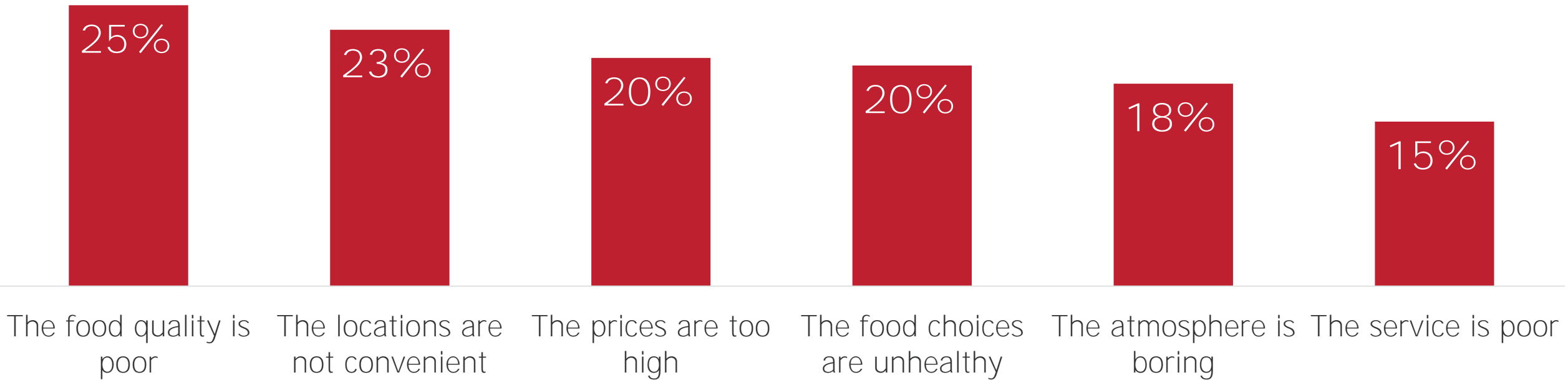
Price & convenience are the most important factors for chain visitors

Why do you prefer to visit chain restaurants?



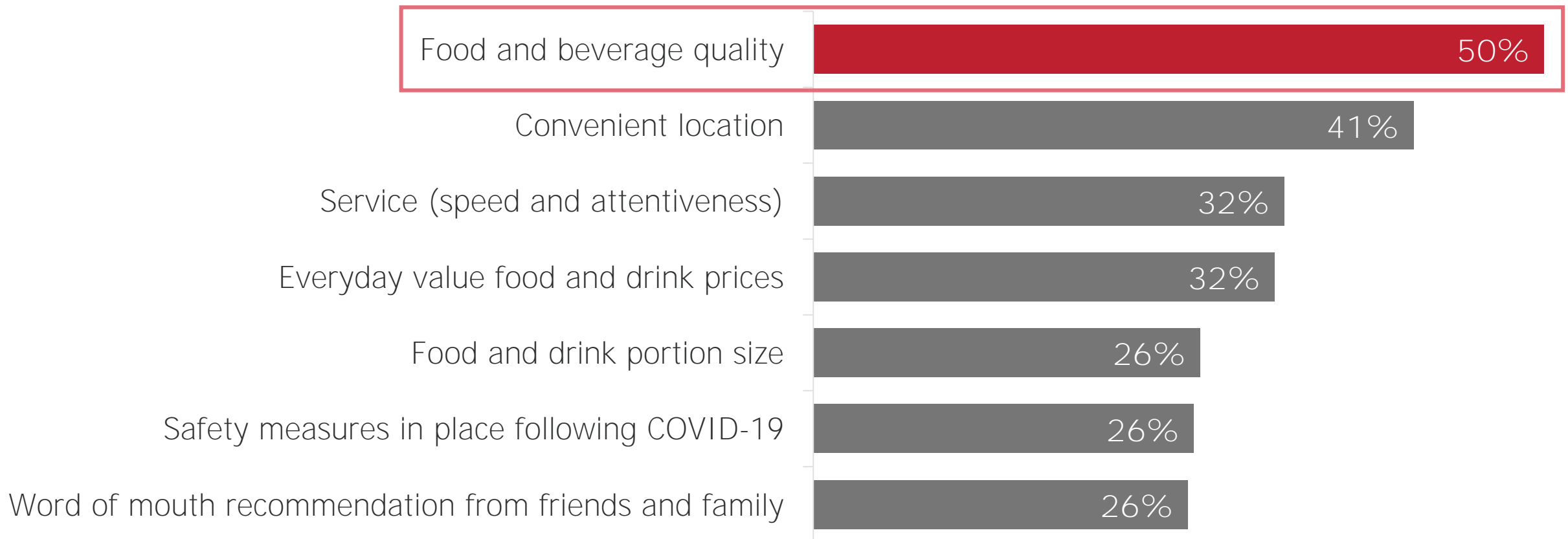
Improve food quality to engage with those who prefer independent restaurants

Why don't you prefer chain restaurants?



Food and beverage quality drives general visitation

The most important factors when deciding which restaurant or bar to visit



Awareness and attention to detail are important for customer satisfaction

When a restaurant or bar's service exceeds your expectations, what do they do most often?

(Top factors)



Operators have adjusted to accommodate heightened consumer expectations



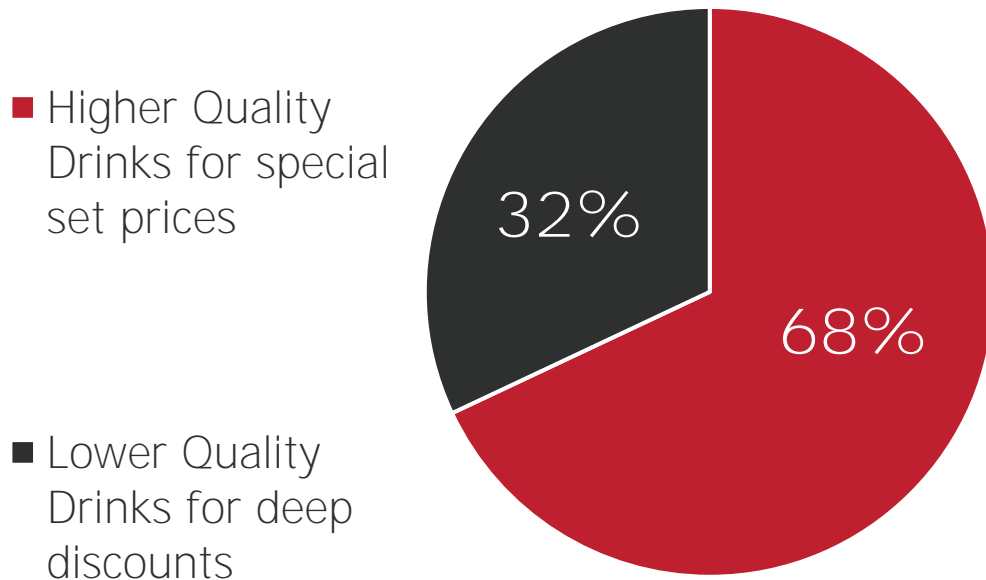
Popular brands provided at a select price range is important for beverage satisfaction

Which of the beverage program elements listed below are most important to you?
(Top elements)

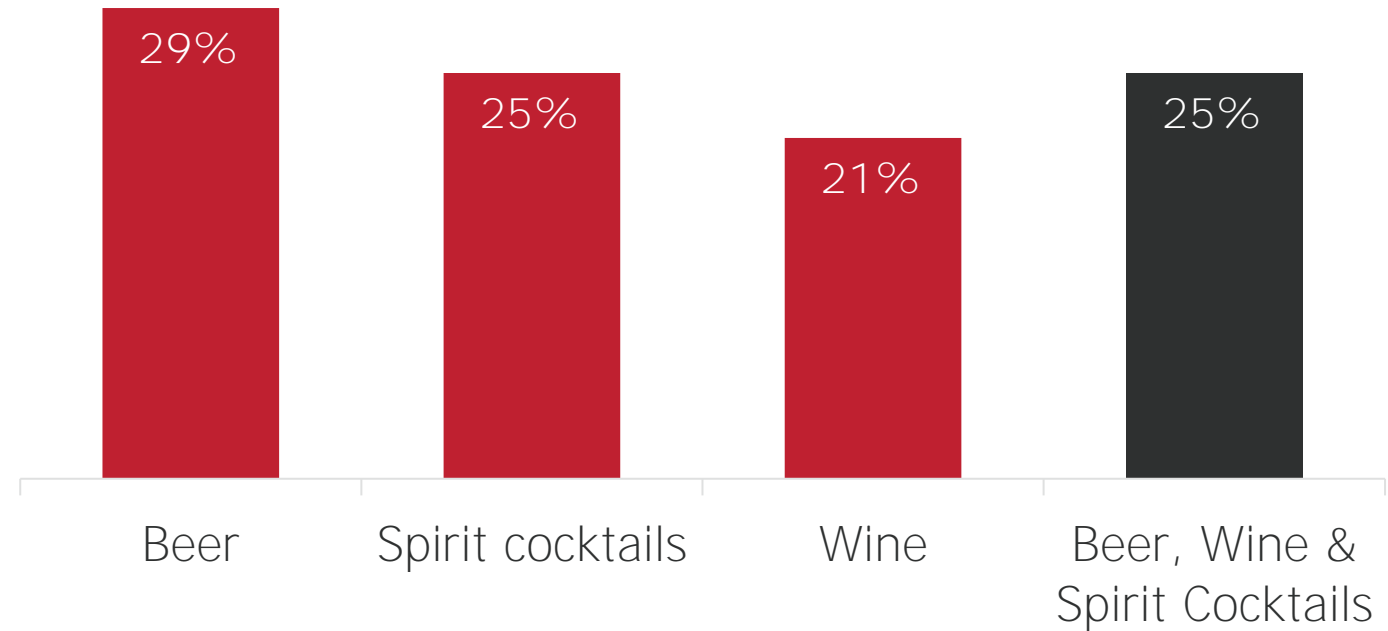
Everyday drink prices at a good value	40%	
Great drink quality	33%	
Happy Hour specials	30%	
Great beer selection	27%	
Knowledgeable servers and bartenders	27%	+8pp vs 2YA
Great wine selection	26%	
Drink specials and promotions	25%	

Premium brands in Happy Hour offerings will generate the most interest

Which of the following drink promotional offers would you be most interested in?



Which type of Happy Hour drinks specials are you most interested in?




Premium Happy Hours increase **net spend** and **engagement**


Beer Buckets

Receive \$2.50 off a 5-beer bucket.

*Mix & match is not allowed
*Excludes beers already on special



[< BACK TO EVENTS](#)


4

Happy Hour

9/20/2021 - 10/1/2021

Stop and smell the rosé!
Enjoy ½ off selected rosé and pizzas Monday - Friday from 3 pm - 6 pm.

[Make A Reservation](#)

[SHARE THIS EVENT](#)[ADD TO CALENDAR](#)

Consideration Summary

- + The On Premise is vital for brand building and consumer experimentation
 - + Drink choice is influenced by occasions and who you are with
- + Casual Dining Chains remain the most popular sub-channel, however, independent operators have seen a surge of support
- + Price and convenience, as well as food and beverage quality, should be the core value proposition
- + Unsurprisingly, there is more appreciation for cleanliness and safety protocols
- + **There is an opportunity to focus on premium LTO's to increase traffic, spend, and satisfaction**



Choice

Consumers are now making different choices and being influenced in different ways

All categories are clearly important, and beer is the most ordered

When you visit restaurants or bars, which do you typically order?



Beer

48%



Wine

44%



Spirit cocktails/
mixed drinks

41%



Hard seltzers

21%



Shots

17%

Weekly consumption of each category has increased

% Of On Premise users who have ordered category weekly



Beer

45%



+1pp



Wine

38%



+7pp



Spirit cocktail

35%



+8pp

2021

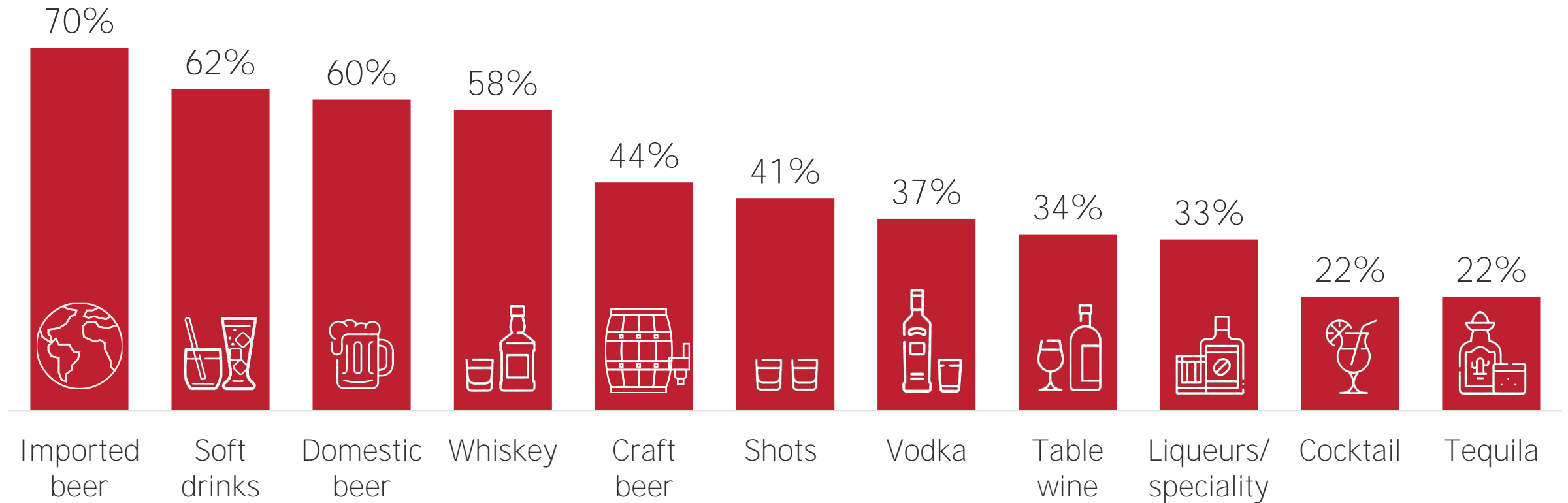
2021 vs 2019

Spirits and Seltzer have gained share of **On Premise** spend vs. 2019

\$ Share	Spirits	Wine	Beer	Seltzer
2019	42.8%	17.3%	38.7%	1.2%
2021	43.7%	16.2%	37.9%	2.3%
Change	+ 0.9%	(- 1.1%)	(- 0.8%)	1.1%

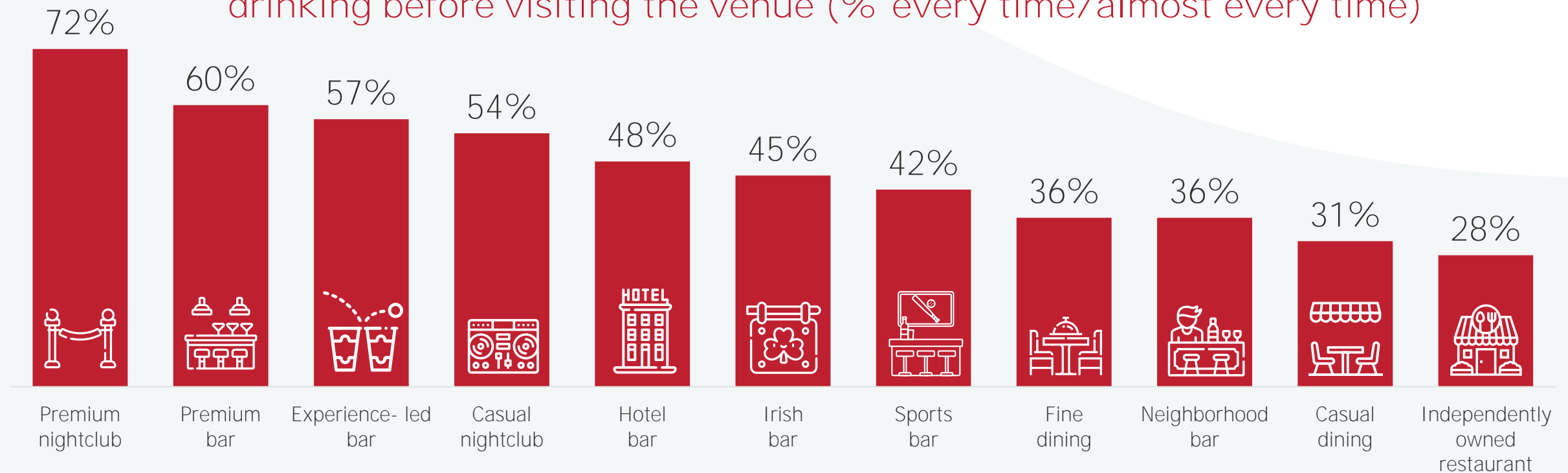
The ability to influence **brand engagement** differs significantly by category

% who asked for a specific brand in the categories had at the venue on this visit



Casual Dining and Independent Restaurants offer the most impactful **decision corridor**

% of consumers who visited channel on last visit, who decide what they will be drinking before visiting the venue (% every time/almost every time)



To maximize beer consumption, a **varied offering** is important

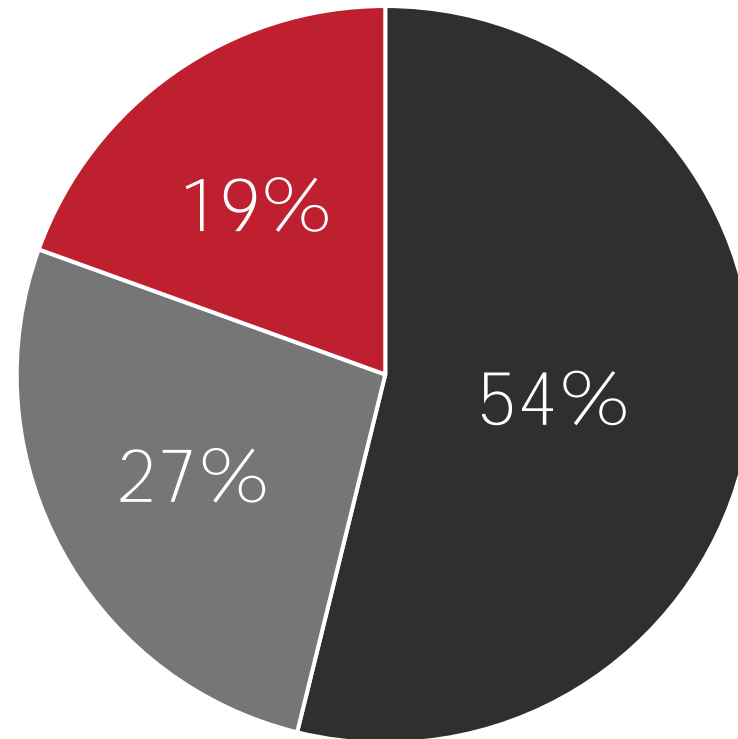
When you are out in a restaurant or bar, which of the following types of beer do you order most often?



Price influences beer purchase

When you order beer in a restaurant or bar, what best describes the type of beer you order most?

- Highest quality beers offered for the best price
- Lowest priced beer offered
- Highest quality premium beers offered



How much do you usually pay for:

	Draft	Packaged
Craft beer	\$6.89	\$6.89
Imported beer	\$6.85	\$6.87
Mass domestic beer	\$6.40	\$6.58

Consumers use the channel for exploring in consumption

How often do you try a new beer brand that you have never tried before when visiting a restaurant or bar?



Often

Occasionally

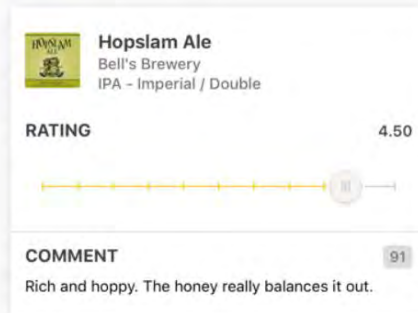
Rarely/Never

53%

28%

19%

A rotating beer menu can promote Social Media engagement and visitor satisfaction



CHECK IN AND RATE BEER

Keep track of what you've tried and what you thought of it by checking in a beer and rating it.



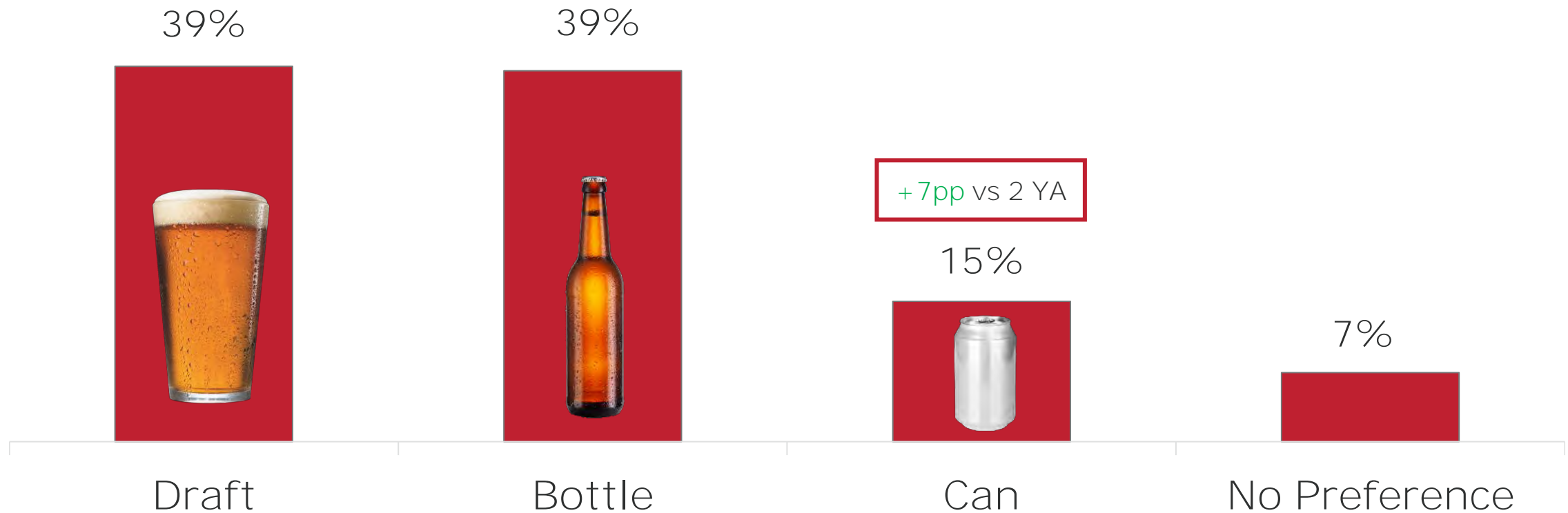
DRINK NEW BEERS, UNLOCK BADGES

Expand your palate by trying new & different beer styles and unlock achievements along the way.



Draft and bottled offerings are important in beer

When you are out in a restaurant or bar, which of the following do you prefer most?



Traditional wines have the widest appeal

Of On Premise users % who order the type most



Red

White

Sparkling

Rose/Pink

38%

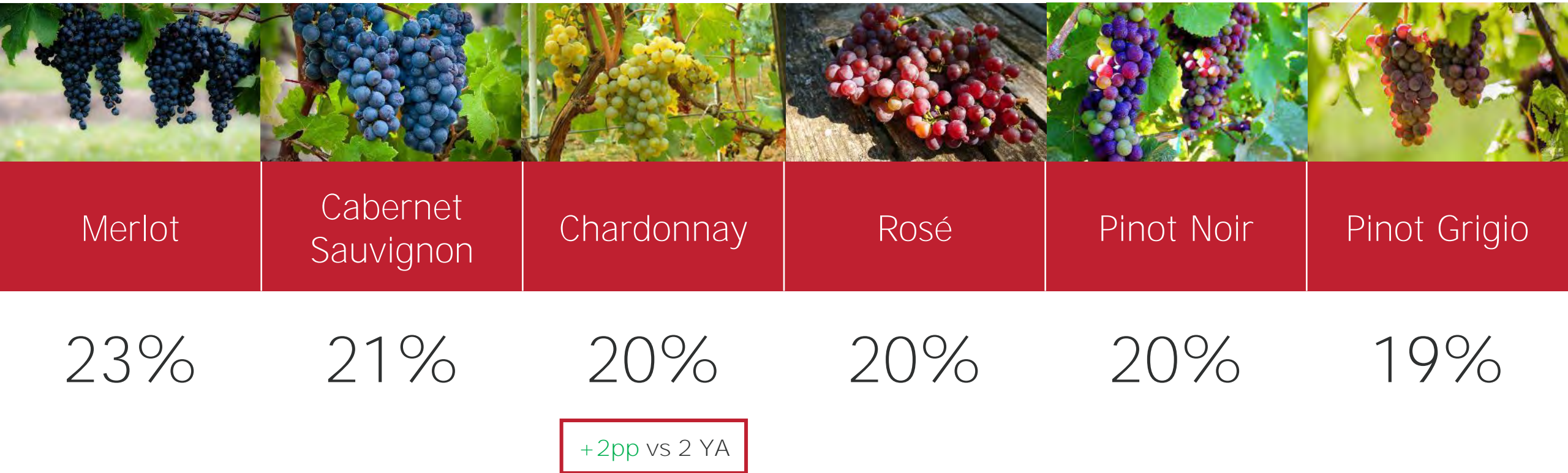
35%

15%

12%

There is close competition among top varietals

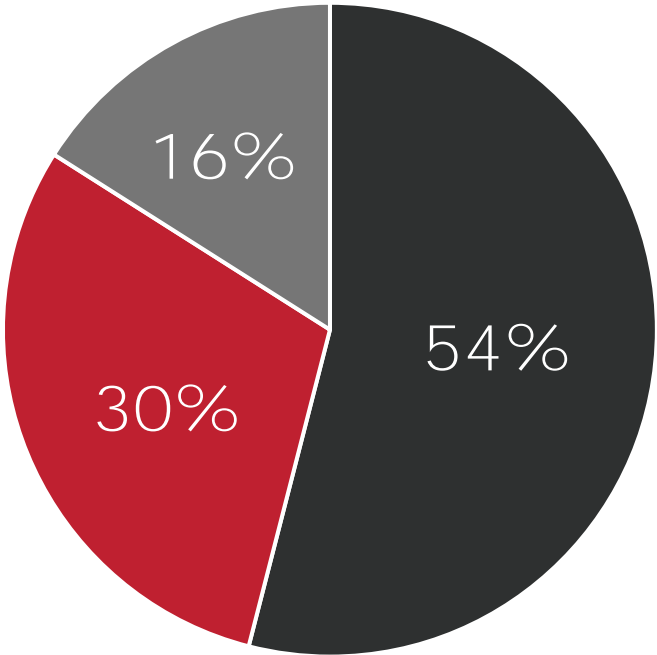
The most popular grape varietals



Providing quality wine at **perceived 'good value'** is important

When you order wine in a restaurant or bar, what best describes the type of wine you order most?

- Highest quality wines offered for the best price
- Lowest priced wine offered
- Highest quality premium wines offered

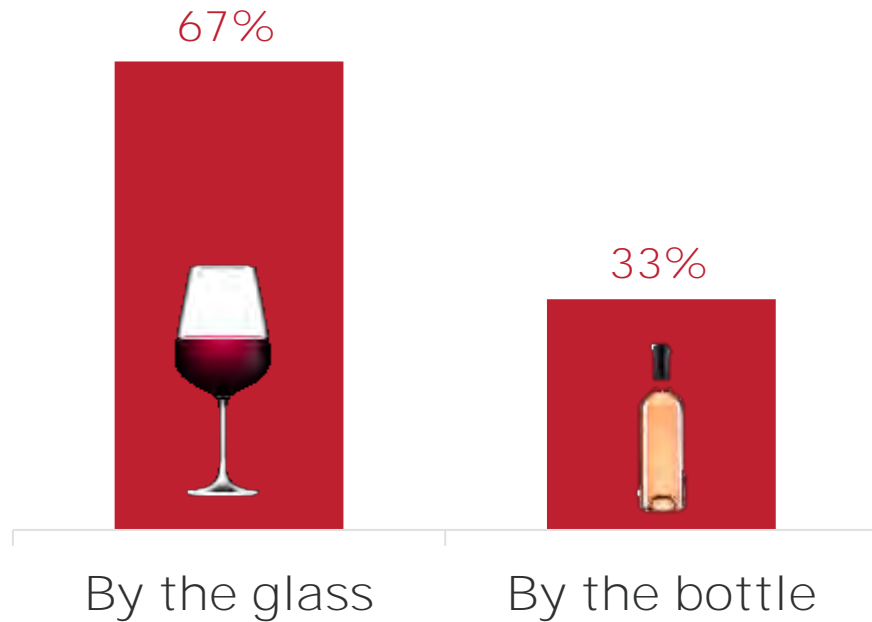


How much do you usually pay for:

	Standard glass of wine	Premium glass of wine
2021	\$7.92	\$8.69
2019	\$8.18	\$8.78

Provide **varied glass sizes** on menus to maximize purchase

When you order wine in a restaurant or bar, do you usually order wine?



How important is it to you for restaurants and bars to offer different sized glasses of wine for different prices?



Margarita is the most popular cocktail

Which of the following cocktails do you order most often when you go out to restaurants and bars?



Margarita

28%



Wine cocktails

15%

+4pp vs 2 YA



Rum & Coke

14%



Vodka &
Cranberry

14%



Pina Colada

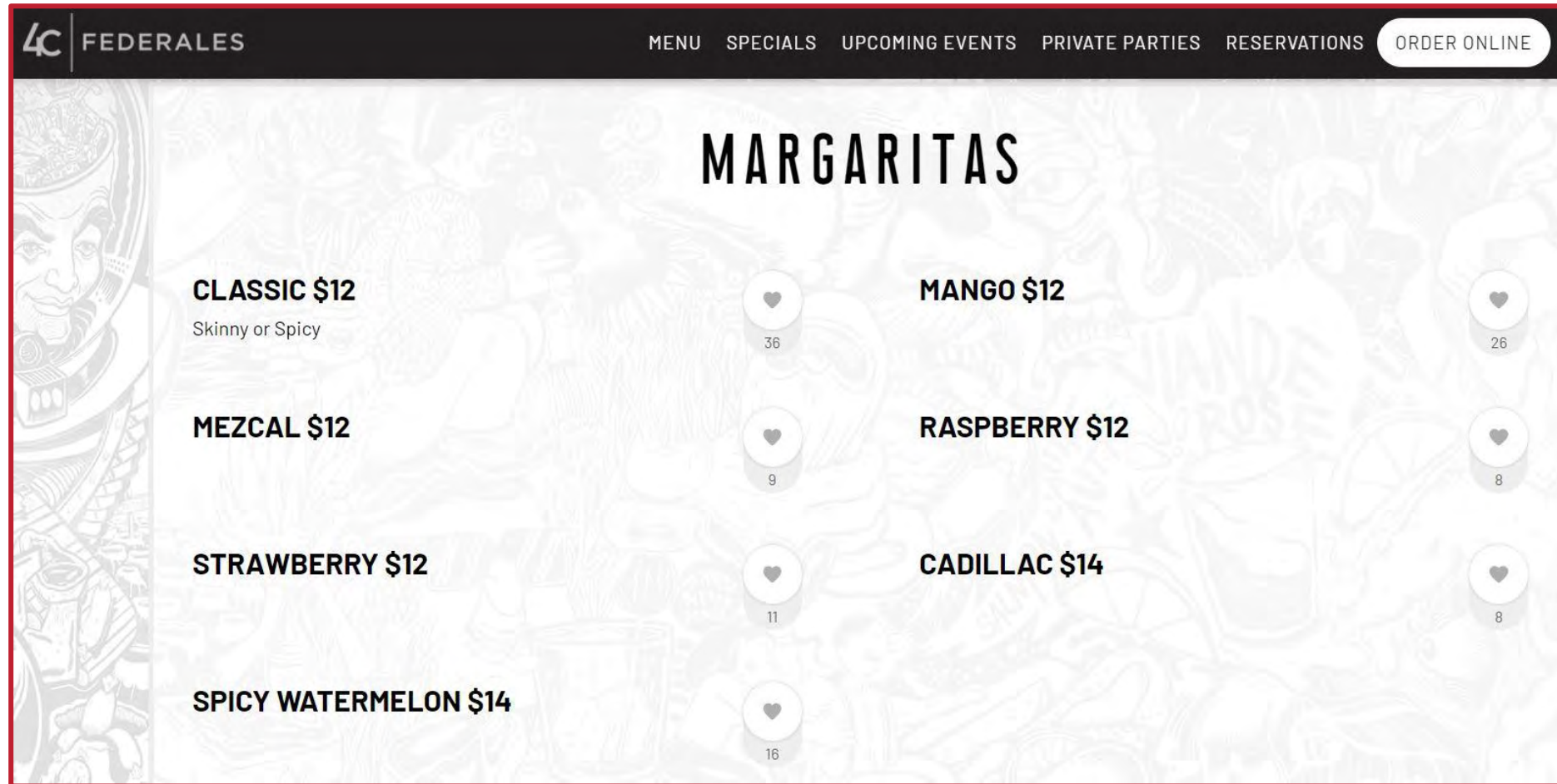
14%



Mojito

14%

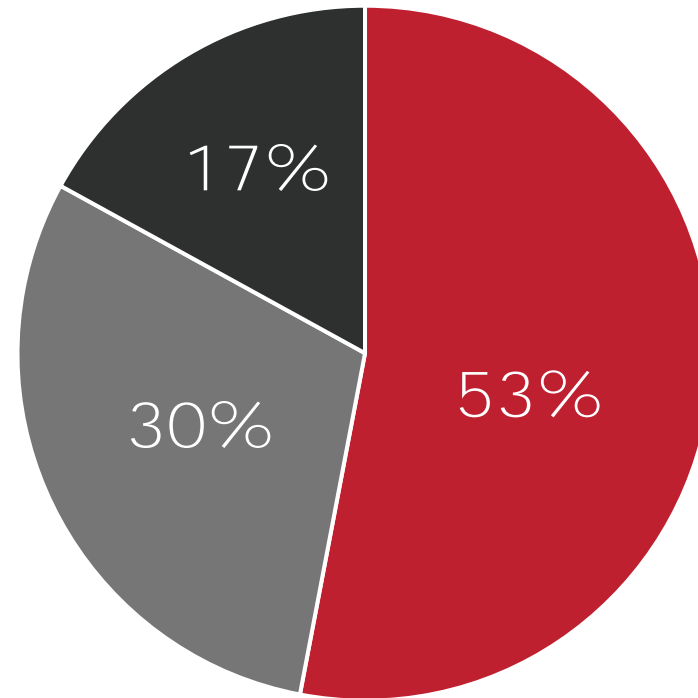
Cocktails and Tequila are growing categories



Spirit drinkers want **quality at good value**

When you order spirit cocktails (including spirit and mixers) in a restaurant or bar, what best describes the type of cocktails you order most?

- Highest quality cocktails offered for the best price
- Lowest priced cocktails offered
- Highest quality premium cocktails offered

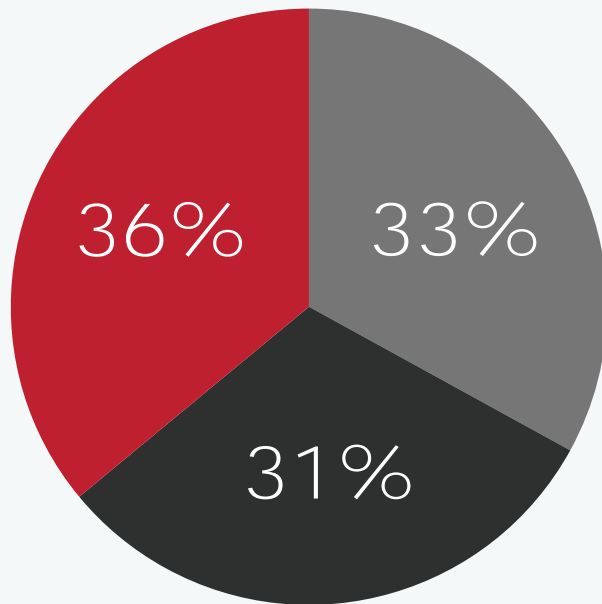


How much do you usually pay for:

	Standard spirit cocktail	Premium spirit cocktail
2021	\$9.00	\$9.64
2019	\$8.63	\$9.13

Cocktail drinkers offer multiple opportunities to intercept before and during visit

Cocktail decision for consumers on their latest visit



- I did not decide what I would drink until entering the venue
- I knew I would drink cocktails before entering the venue, but not the specific type
- I knew the specific cocktail I would have before entering the venue

44%

of consumers visiting for a romantic occasion knew they would drink cocktails before entering but not the specific type



Bartenders can influence premiumization

If your bartender or server suggested a cocktail modification for \$1-\$2 more than what you ordered, would you likely choose their recommendation?

76%

Yes

+7pp vs 2 YA

24%

No

Various factors influence purchase, with **food pairing** most influential

When you **order alcoholic** drinks in a restaurant or bar, what most influences the drink you order?

Goes with the food
that I am eating

27%

Drink menu

24%

Drink featured on
special promotion

23%

Bartender or server
suggestion

21%

A house specialty
drink

18%

Nothing, I know what I want when I walk in

16%



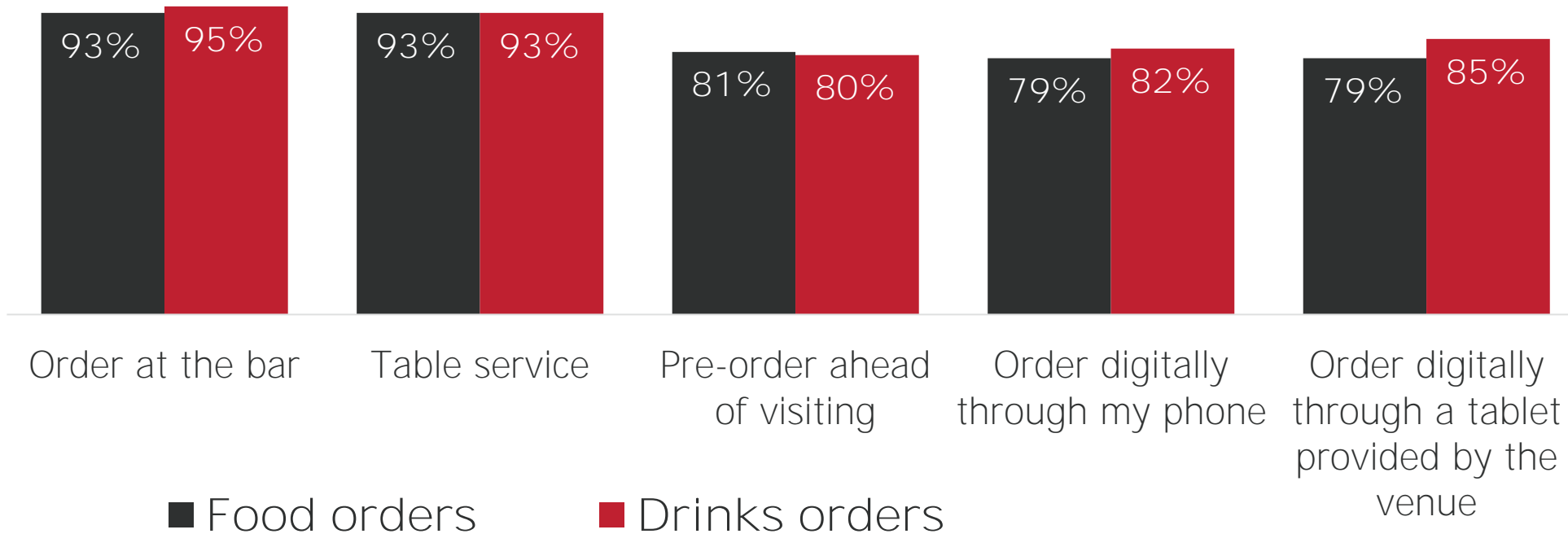


Table service is most used for food and drink orders

How do you order	Food	Drinks
Table service	72%	73%
Order at the bar	34%	40%
Order digitally through my phone	20%	17%
Pre-order ahead of visiting	13%	10%
Order digitally through a tablet provided by the venue	9%	8%

Consumers are most satisfied with traditional ordering methods

% of consumers who are satisfied to order with different methods



It's important to acknowledge the order types which discourage purchase

I wouldn't use this menu type to order



Digital menu on a
mobile app

Digital menu on a
website

A menu on the
wall/on a board
behind the bar

Reusable physical
menu

Single use/paper
menu

42%

41%

29%

13%

12%

Choice Summary

- + The frequency of consumption for all categories is up, but the majority of consumers are not brand loyal in the On Premise
- + Across all categories, consumers look for perceived value - the highest quality offering at the best price
- + Beer drinkers thrive on experimentation, while wine drinkers are more conservative and cocktail drinkers seek premium options
- + Most consumers do not know what they will drink prior to their visit and are influenced by many in-outlet factors
- + Technology is polarizing and On Premise consumers still overwhelmingly prefer traditional ordering methods



Concern

What are On Premise visitors concerned about and what are they not concerned about!

The majority of consumers are still visiting the On Premise and plan to continue

67%

of consumers have gone out to eat in past 2 weeks

37%

of consumers have gone out for a drink in the past 2 week

68%

of consumers plan to go out to eat in the next 2 weeks

40%

of consumers plan to go out for a drink in the next 2 weeks



However – there are consumers whose visitation has reduced

22%

Visiting less
than pre COVID-
19

23%

Visiting more
than pre COVID-
19

55%

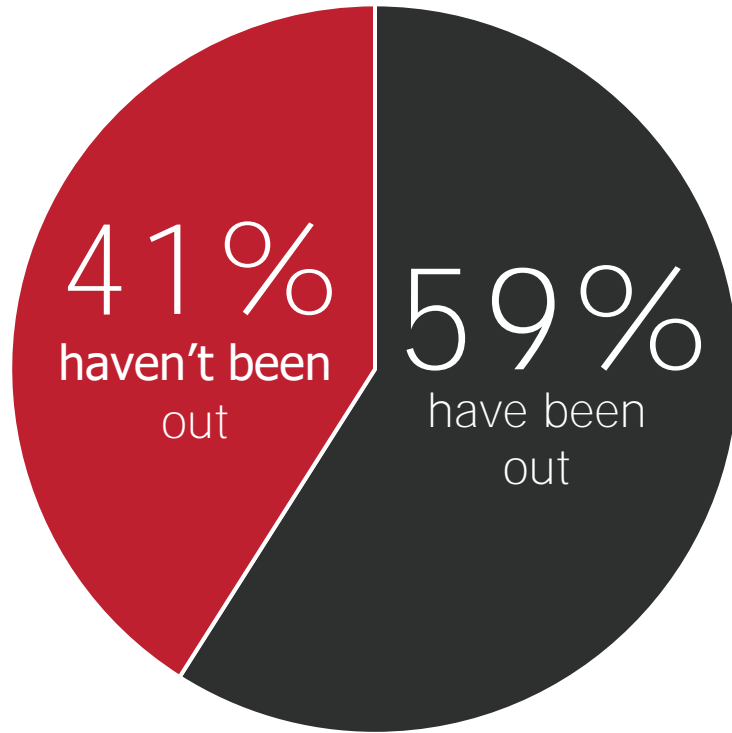
Visiting the
same as pre
COVID-19

67%

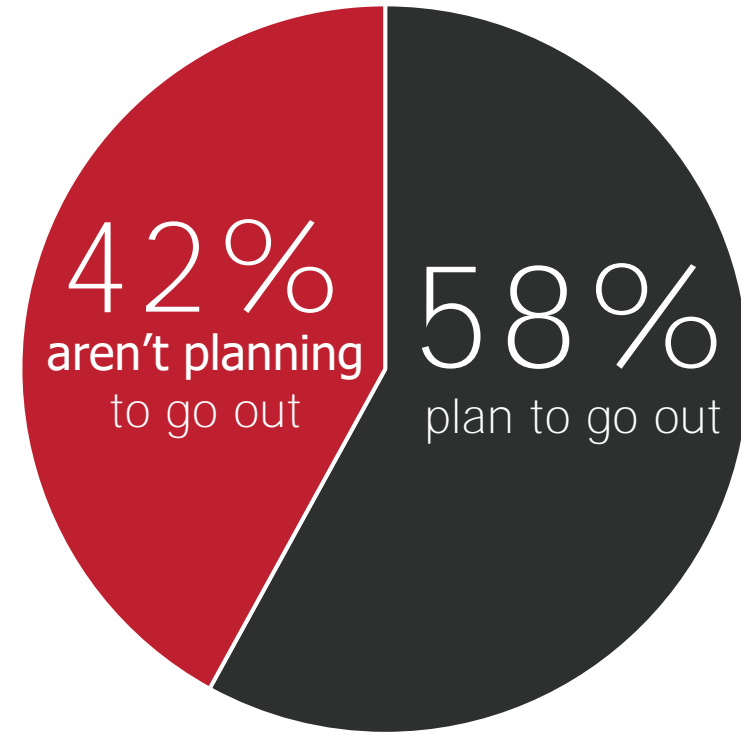
of those who are visiting less (22%)
than pre-COVID-19 are doing so
because of concerns around the Delta
variant

The majority of these are **still going out** at some level and plan to do so in the next while

Visitation of those going out less because of the Delta variant

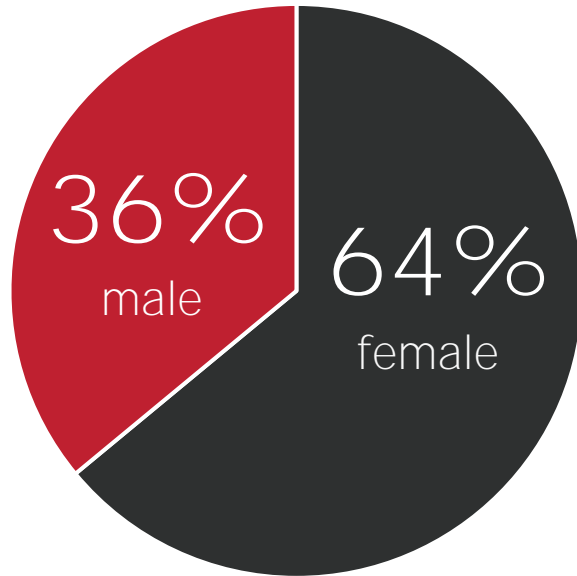


Last week's visitation

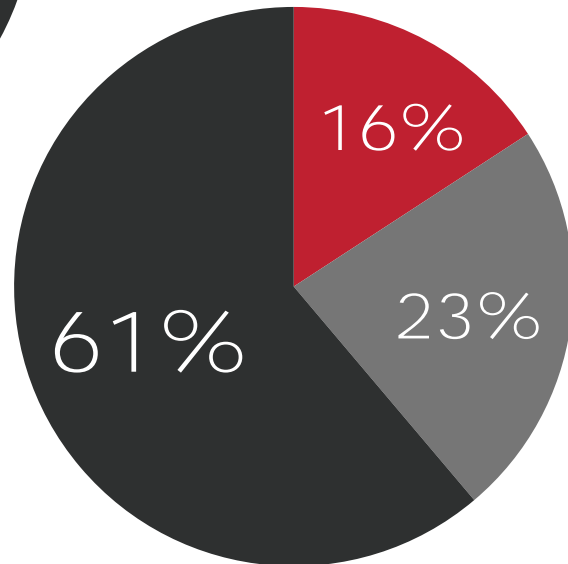


Future visitation

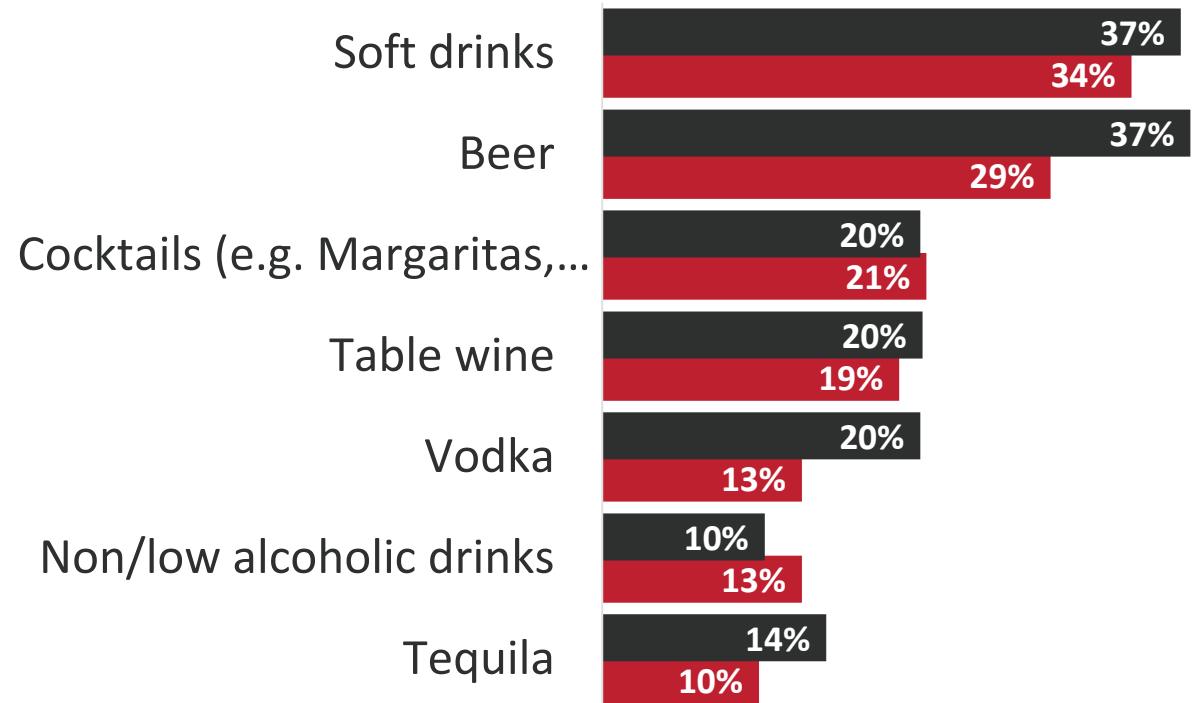
As you would expect, the majority of these consumers are **over 55**



- 21-34 years old
- 35-54 years old
- 55+ years old



Top 7 Categories consumed in the past 3 months



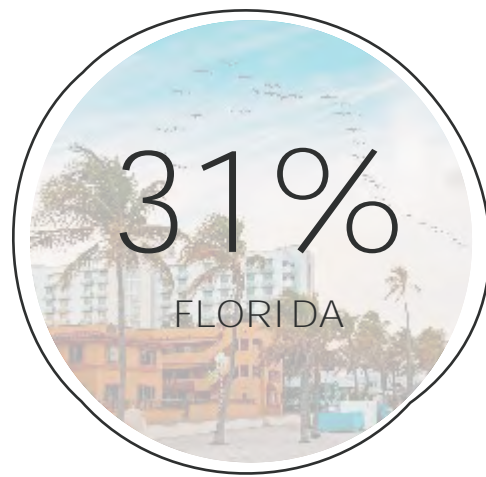
■ Avg Consumer ■ Those visiting less because of Delta

Consumer concerns around COVID-19 differ considerably by state

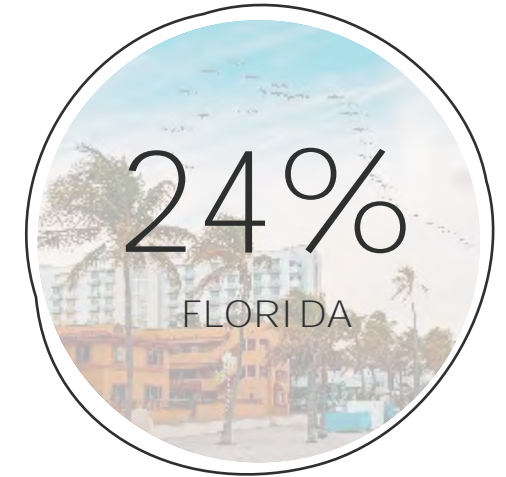
Reasons for staying at home instead of going out



Concerns around getting ill from COVID as a reason for staying home



Avoiding busy areas to prevent spread of COVID-19



Why is all this important?

The bottom line is, COVID-19 is still an ongoing concern to many bars, restaurants and consumers . We are in a considerably better place than we were a year ago, but with restrictions continuing to come in and out, it is SO important to track the openings/closures, market dynamics and consumer sentiment to ensure you are providing the right support at the right time and ensuring the On Premise continues to thrive

Change — The On Premise universe has evolved since 2019

- + Openings / Closures
- + Sales
- + Takeout / Delivery

Consideration — On Premise experiences cannot be replicated at home

- + Visitation Drivers
- + Happy Hour

Choice — Operators have the tools to drive consumer engagement

- + Category Assortment
- + Path to Purchase

Concern & Outlook — Most plan to continue patronizing the channel

- + COVID Delta variant
- + Key takeaways

We would love to present these ideas to your teams, with a specific focus on issues most relevant to your business. Just get in touch and we will work out the timings!

Our mission is to help you grow in the On Premise with as little risk as possible.

With 2022 planning about to begin do remember that CGA is uniquely placed to help with:

- + Robust Share and Trend reporting via our best in class measurement tools
- + Providing compelling sales stories for major National Account RFPs
- + Planning, targeting and measuring the sales impact of your brand activations
- + Bartender and Advocacy research
- + Tracking hyper-local sales performance by time of day and day of the week
- + Defining how your drinkers are navigating the omni-channel On Premise now (their Path to Purchase)
- + Unique tools to define optimal Assortment and Pricing tactics
- + **MUCH MORE...we are the world's leading On Premise consultancy operating in many countries...just speak to us!**

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