

RESETTING THE COURSE TO RECOVERY



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TODAYS PROGRAMME

- 1. Welcome**
- 2. Where are we now?**
- 3. Where are we heading?**
- 4. What can we learn from other markets?**
- 5. What does this mean for the recovery?**
- 6. Panel discussion**



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Join in the
conversation
@CGA_insights



HOUSEKEEPING

RECORDING AND
SUMMARY DECK
AVAILABLE TO ALL
REGISTRANTS

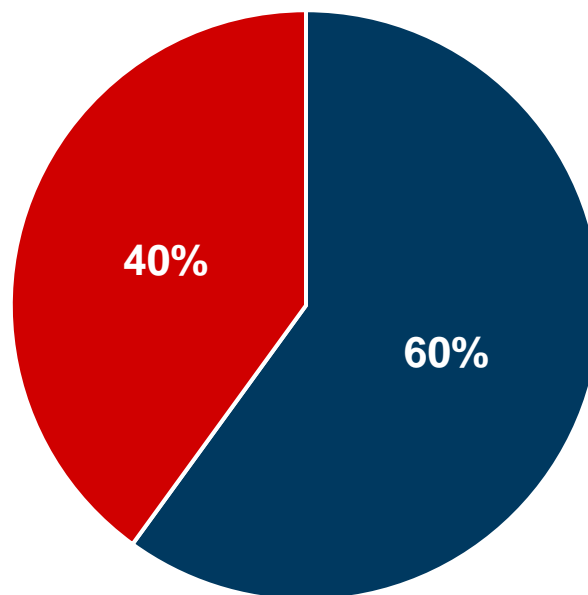
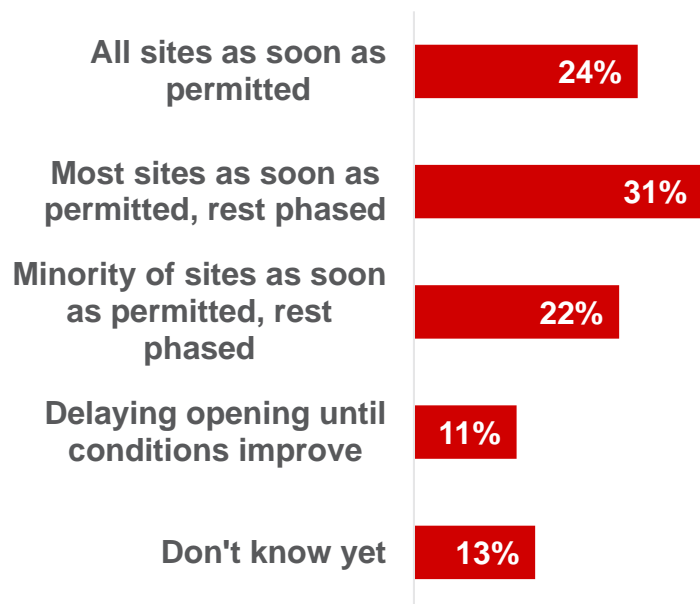


HOW TO ASK QUESTIONS

What you are telling us about re-opening...



Re-opening plans



- Predicting all sites will reopen
- Predicting some sites will not re-open

49%

Expect to have more than 80% of the future estate re-open by September
A further 20% expect to have 61% - 80% open



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THANK YOU TO OUR PARTNER

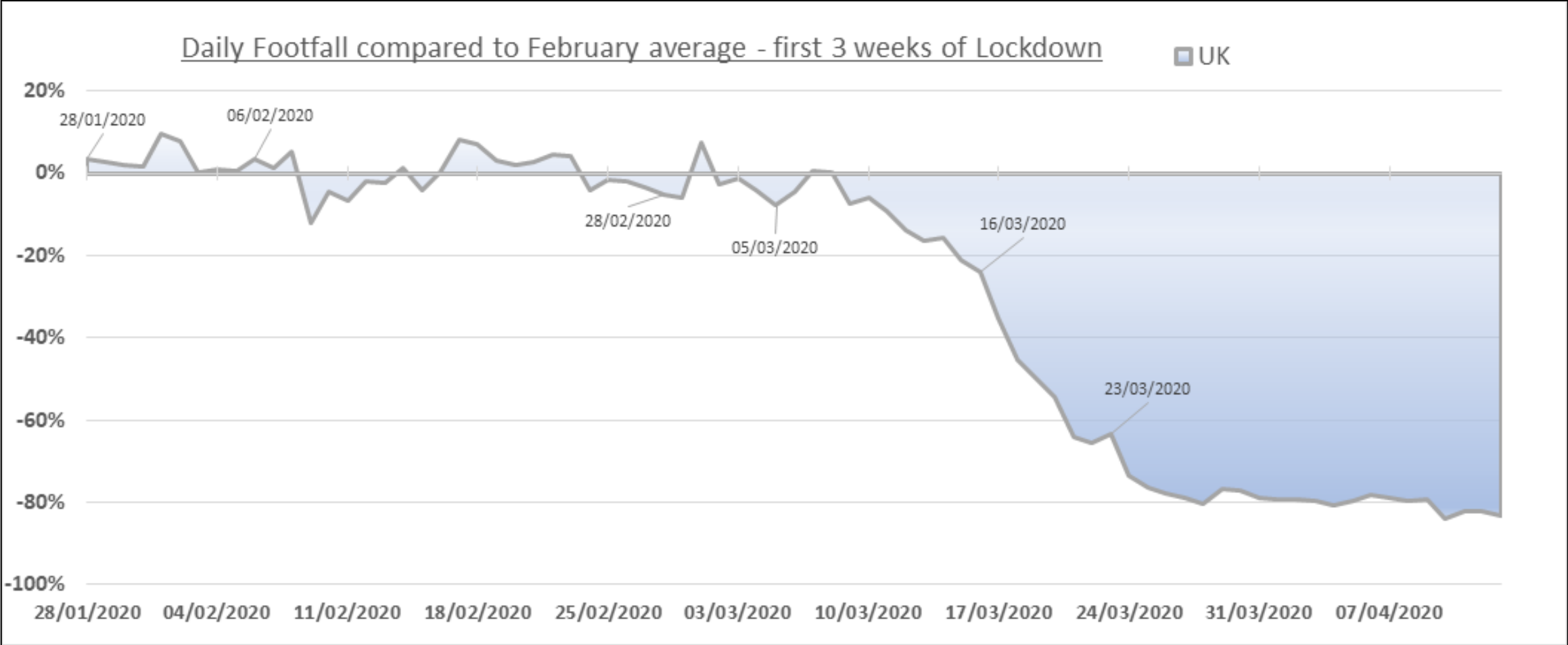


- **WHERE ARE WE NOW?**
- **WHERE ARE WE HEADING?**
- **WHAT CAN WE LEARN FROM OTHER MARKETS?**
- **WHAT DOES THIS MEAN FOR RECOVERY?**

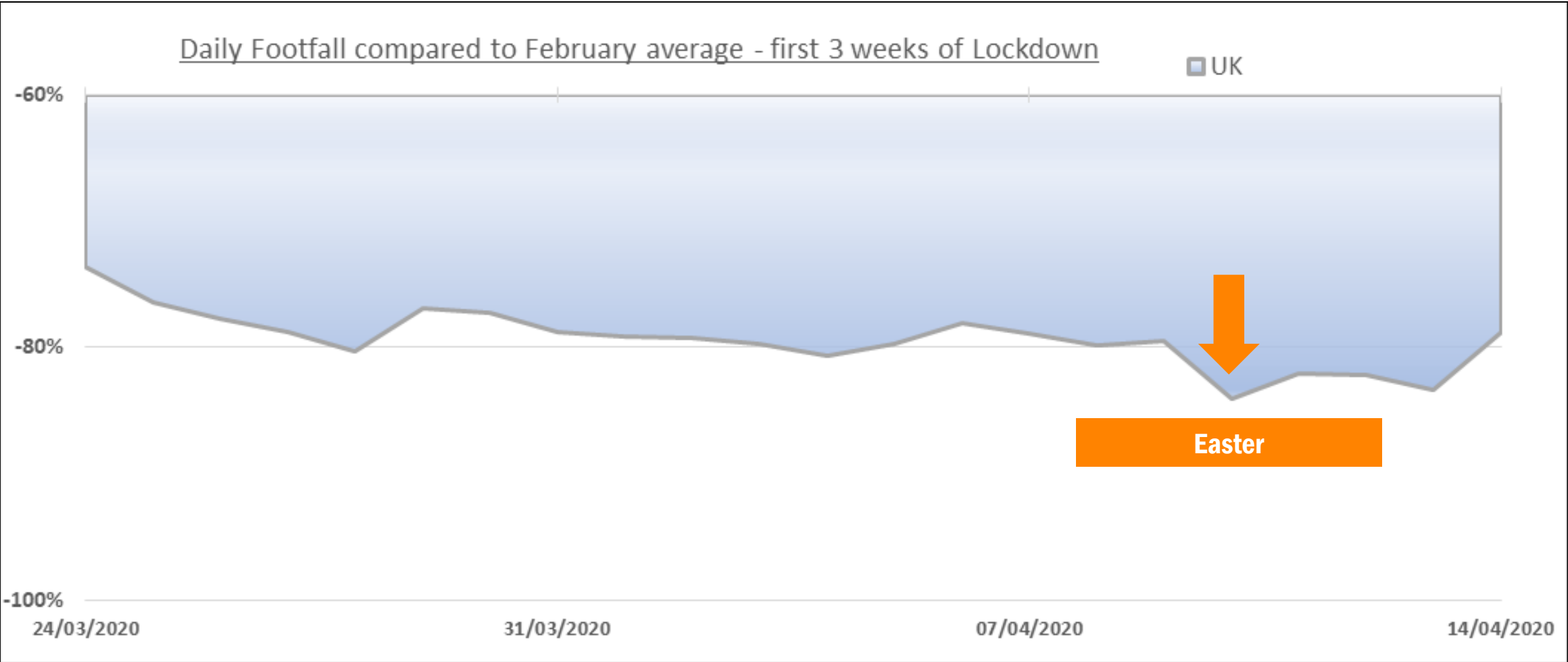
WHERE ARE WE NOW? FOOTFALL INSIGHT AND CONSUMERS IN LOCKDOWN



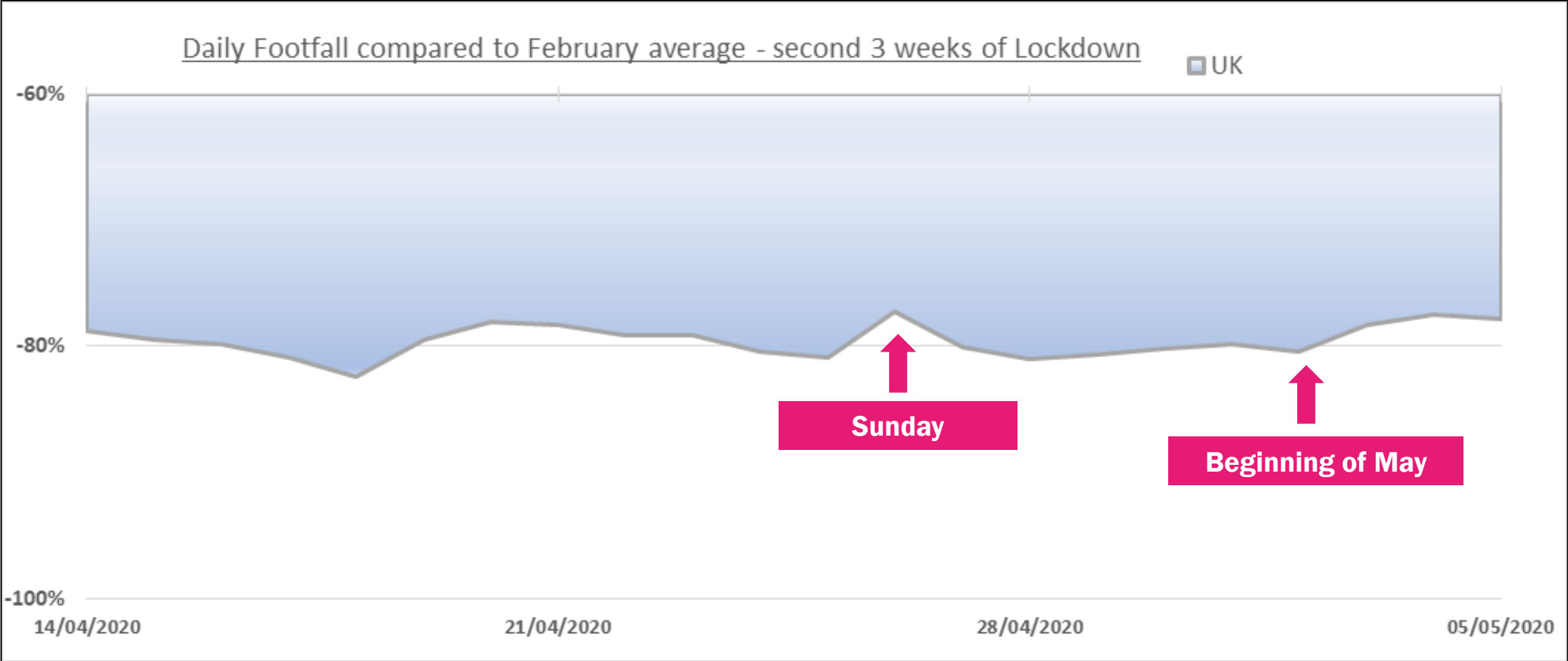
The lead up to and start of lockdown



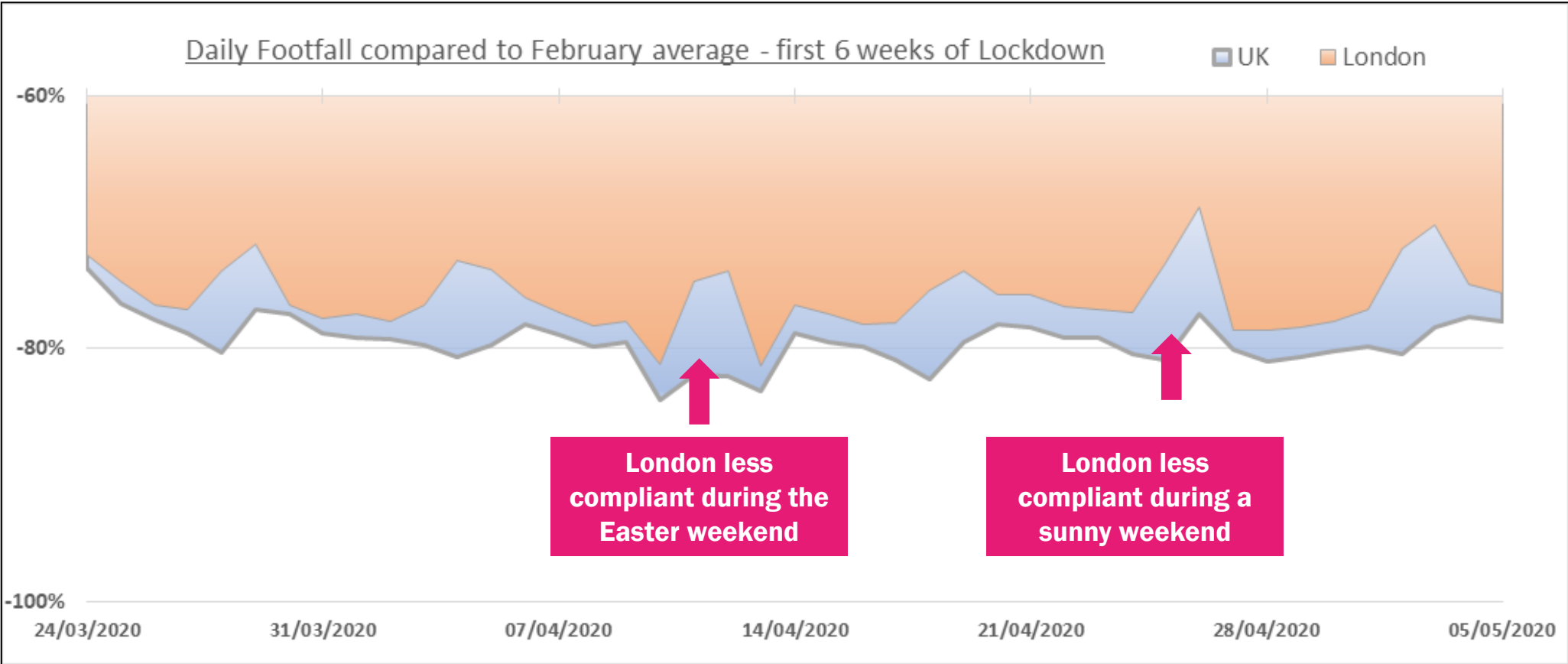
The first 3 weeks of lockdown



The second 3 weeks of lockdown

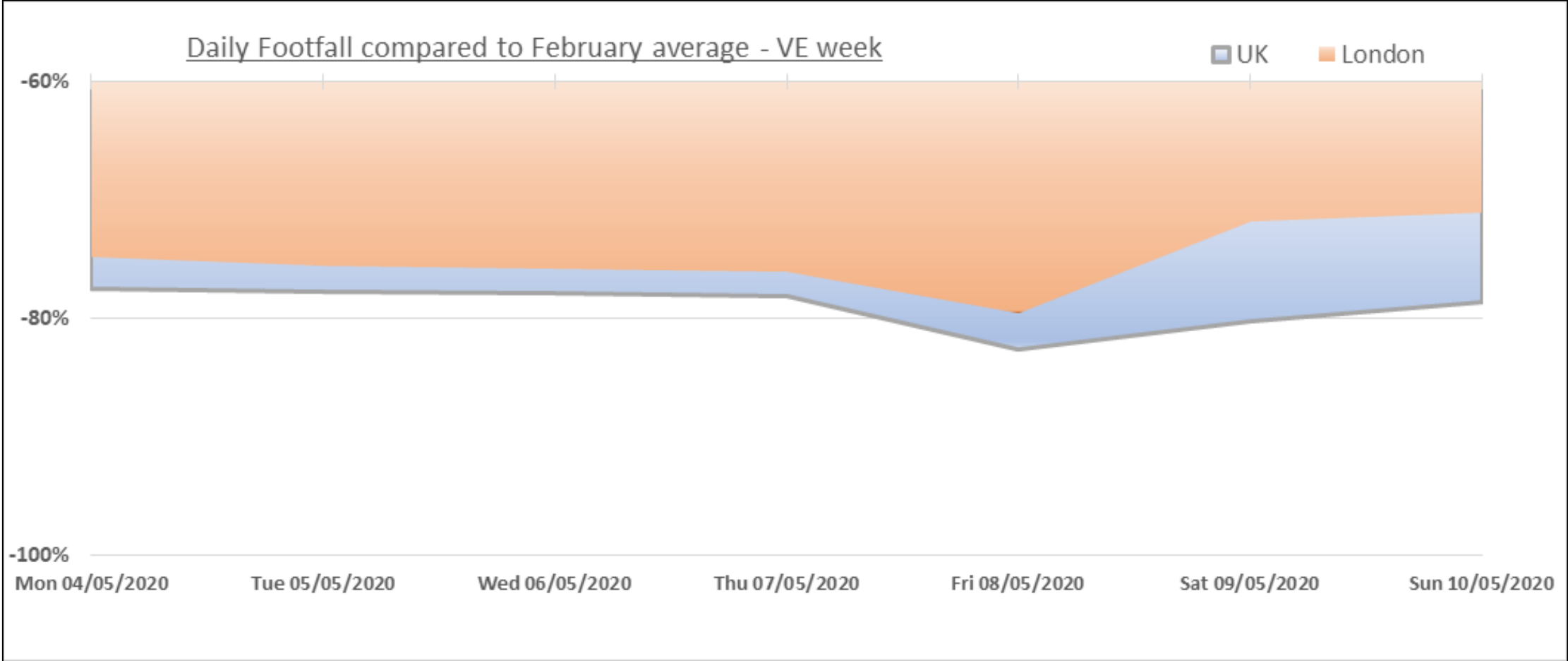


The first 6 weeks of lockdown



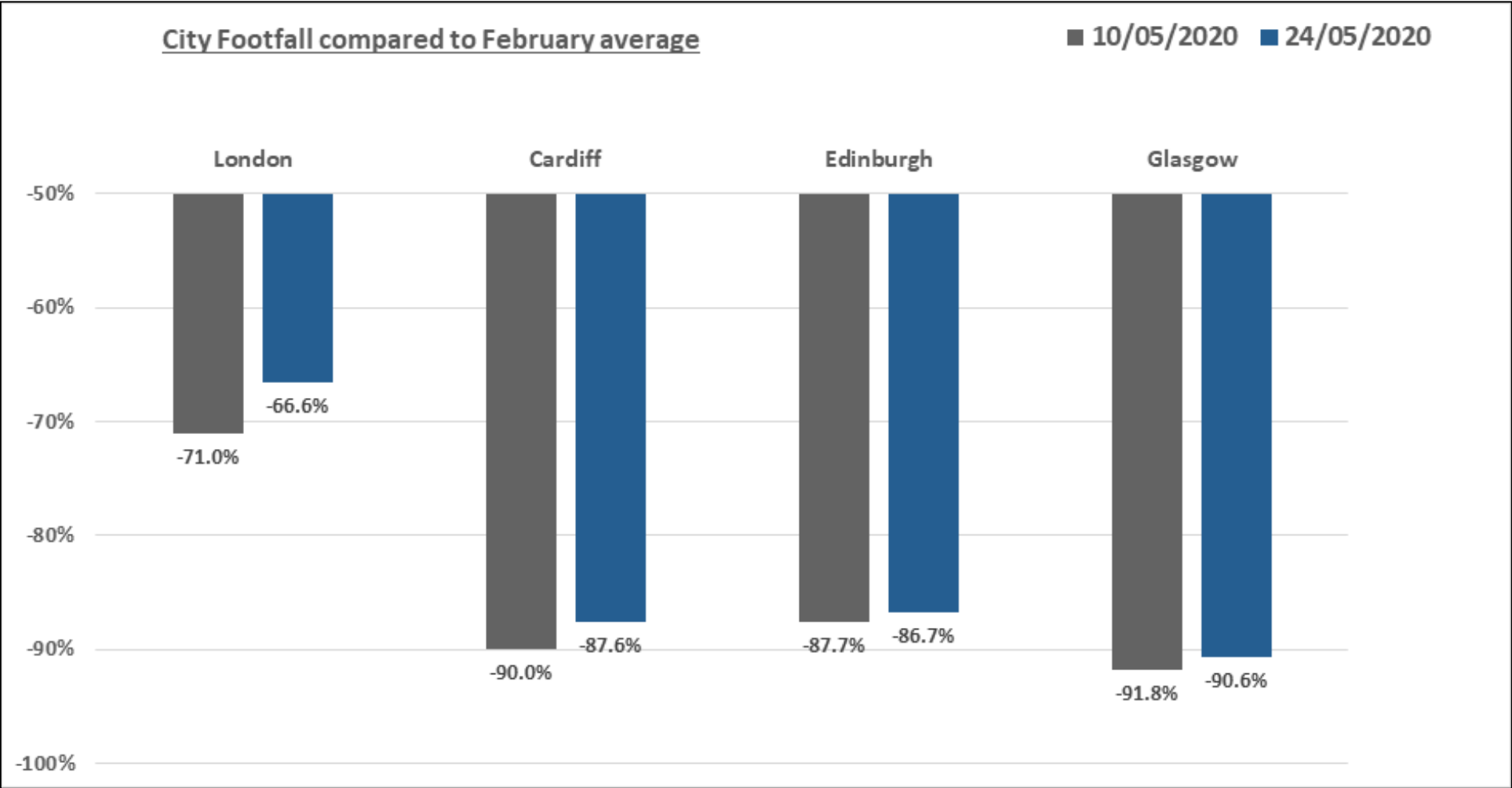


VE Celebrations Week

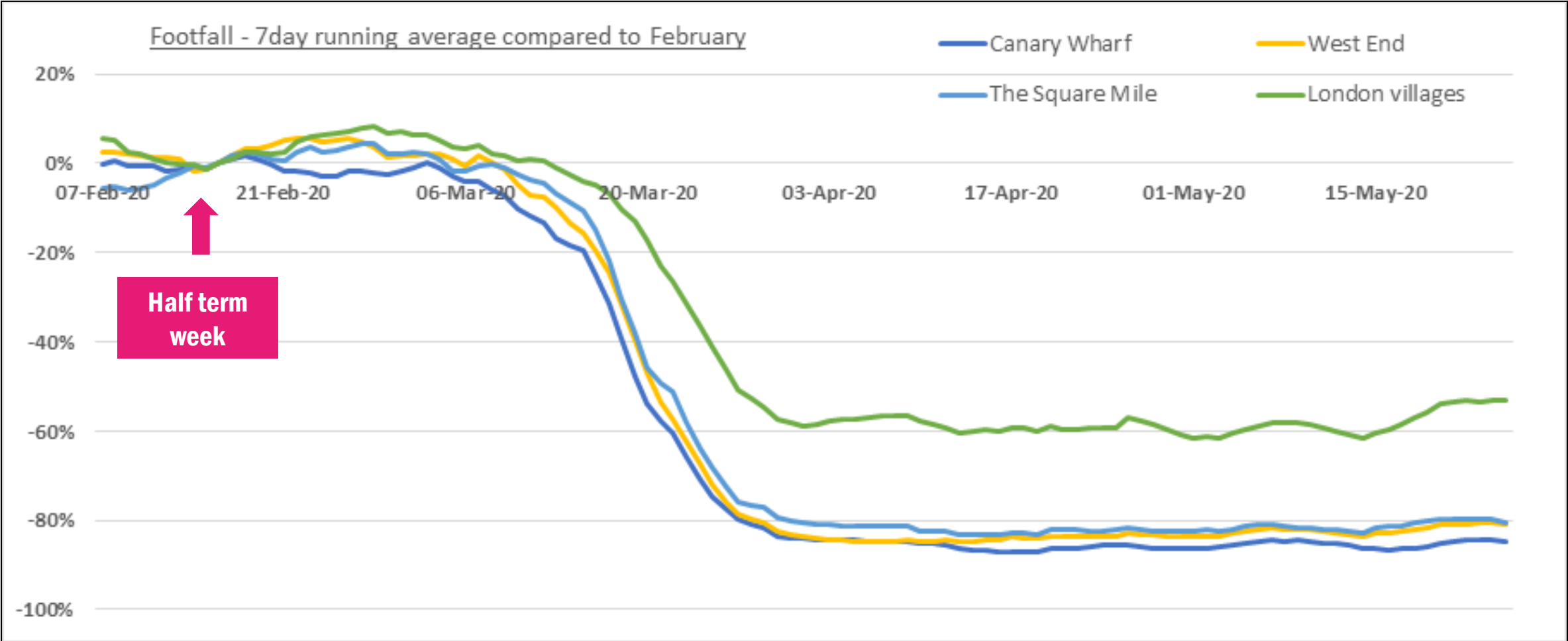


Lower footfall on the actual VE Day as people stayed at home to celebrate (or at least just ventured to their pavement). Looks like a bit of a release on the Saturday and Sunday afterwards, though.

A comparison with Scotland and Wales

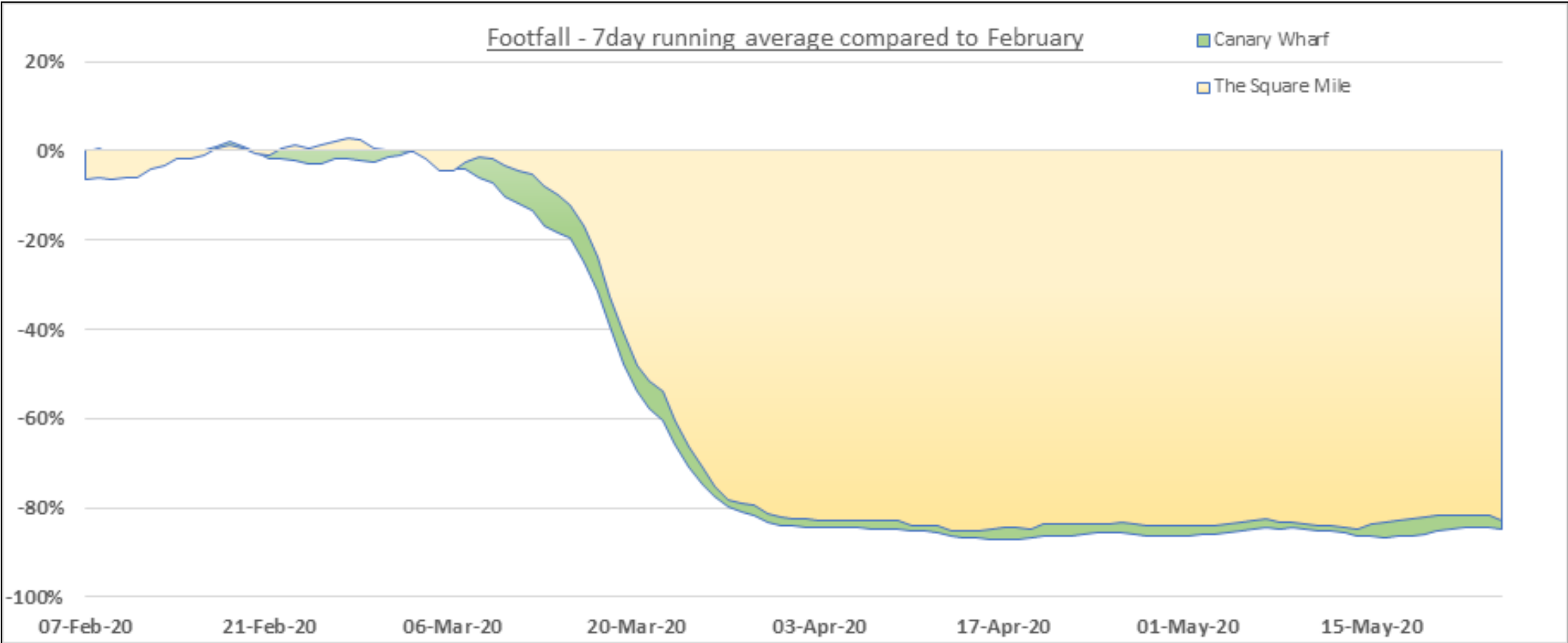


London villages



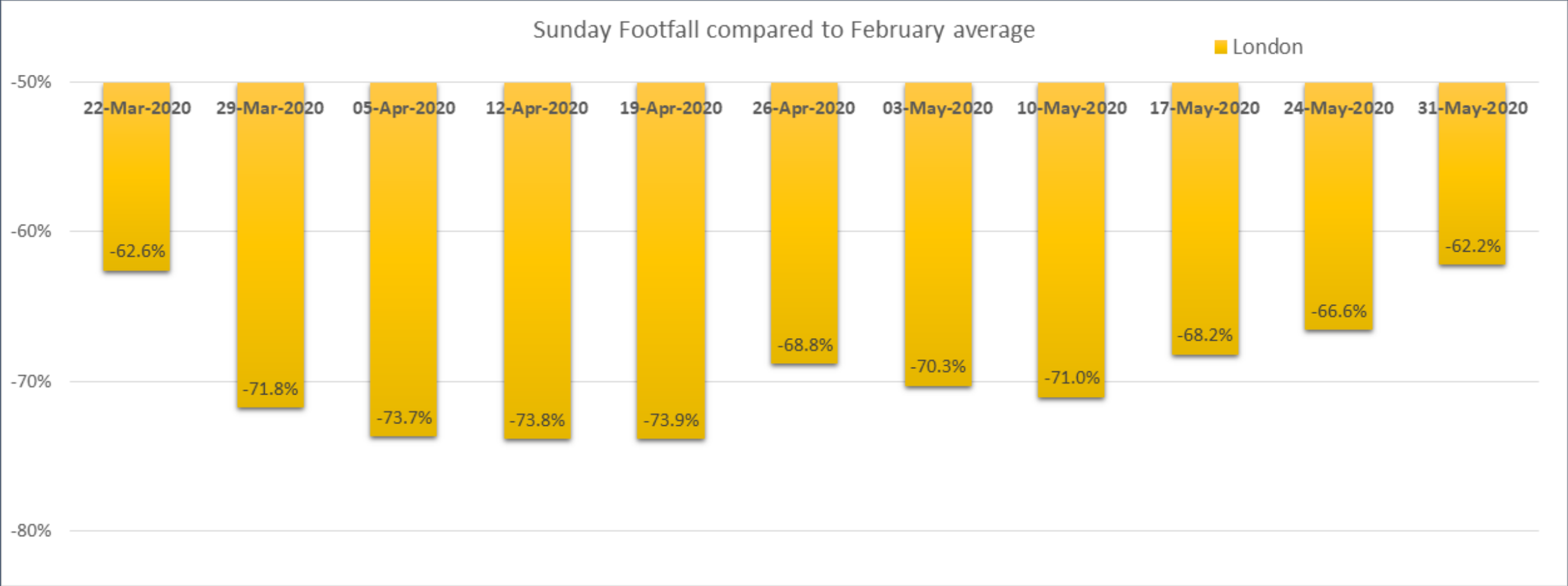


Canary Wharf





Sundays during lockdown



89%

Of consumers are concerned about the impact of COVID-19 on their health and the health of their families

Consumers are making lifestyle changes during lockdown, extending to exercise and changing food choices

What measures are you taking to protect your health as a result of COVID-19?



Exercising more

39%



Stopped buying unhealthy takeaways

26%



Buying more healthy foods

24%

With broader health concerns evident and without an on trade market, there has been a net decrease in alcohol consumption

How has the impact of COVID-19 affected your consumption of alcohol?

17%

I am drinking more alcohol than usual

46%

I am drinking the same amount of alcohol

28%

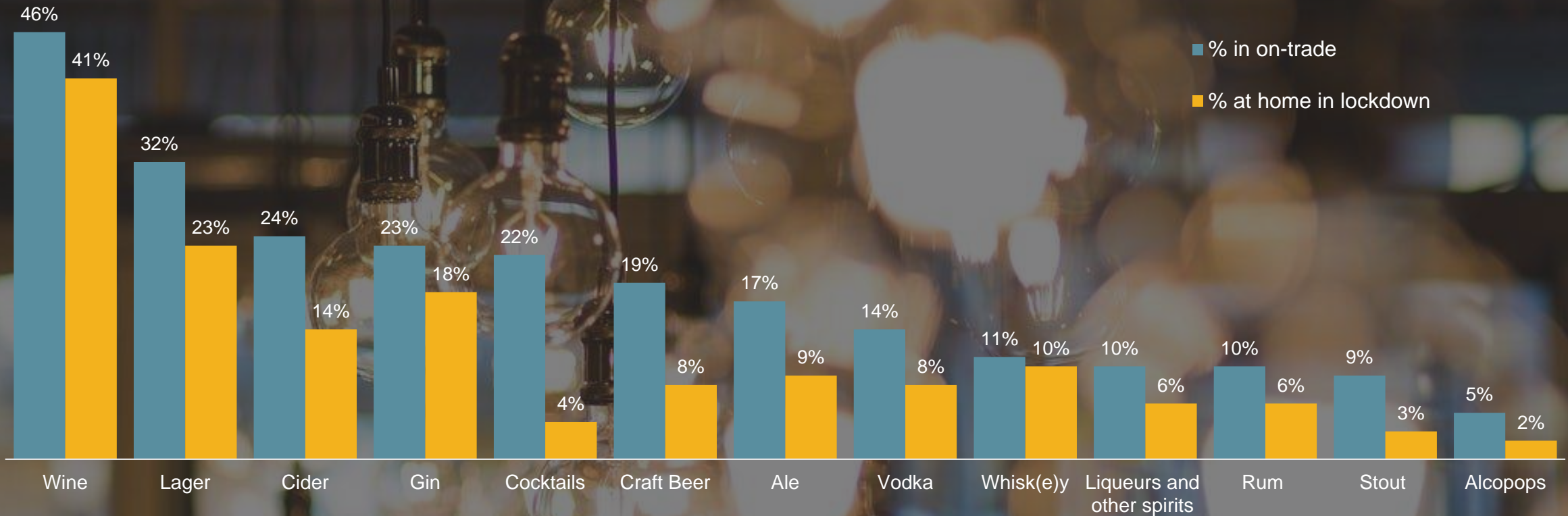
I am drinking less alcohol than usual

9%

I have cut out alcohol completely

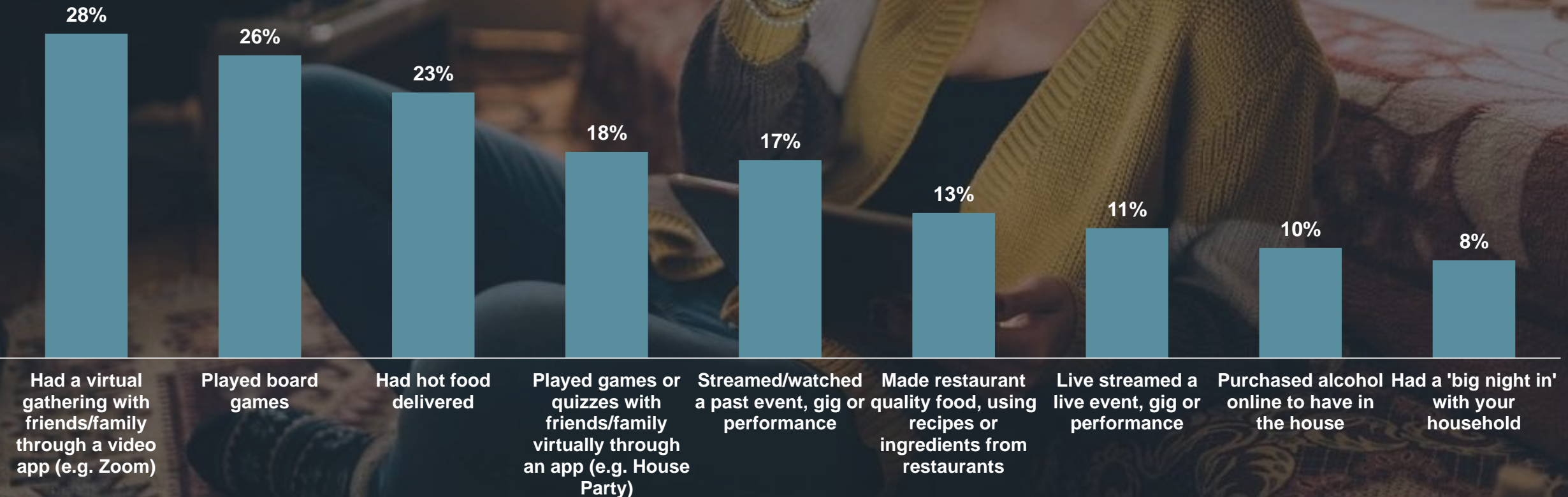
All categories have lost consumers relative to the on premise, but the categories most aligned to the sector have suffered most

Proportion of consumers choosing to drink category in the on-trade versus at home during lockdown



Alternatives to out of home activities include “virtual gatherings” and board games, with food/drink deliveries also proving popular

Which of the following have you planned to do / done as an alternative to visiting a pub, bar or restaurant over this lockdown period?



Behaviours adopted during lockdown could become long term habits for consumers

42%

Of consumers choosing to “**have virtual gatherings through video apps**”, plan to do this more frequently once the Government lockdown has been lifted

31%

choosing to “**make restaurant quality food, using recipes or ingredients from restaurants**” plan to do this more frequently once the Government lockdown has been lifted

WHERE ARE WE HEADING? CONSUMER OPINION ON THE RETURN TO HOSPITALITY

22%

Of GB adults said they would **feel comfortable resuming visits to the out-of-home** as soon as Government restrictions are lifted

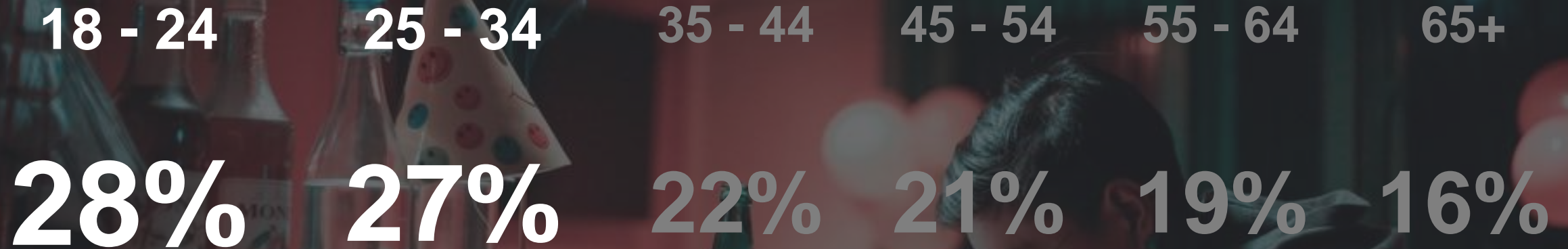
Previously frequent visitors to the market for food are the most likely to return, but there is caution for medium frequency visitors

When the Government restrictions are lifted, will you feel comfortable resuming your normal visits to pubs, bars and restaurants? – Split by frequency for food-led visits

	Yes, I would be comfortable doing so as soon as the restrictions are lifted	Yes, as long as there were added precautions in place	Yes, but I would be cautious	No	I don't know yet
Multiple times a week	29%	21%	31%	12%	7%
Once or twice a week	23%	19%	34%	13%	11%
Once or twice a month	20%	22%	30%	13%	14%
Once every 2-3 months	17%	20%	27%	17%	18%
Only once in the past 6 months	16%	17%	25%	22%	20%

Younger consumers show a greater level of comfort returning to the on-trade as soon as restrictions are lifted

% of age groups who said they would feel comfortable resuming visits to the out-of-home as soon as Government restrictions are lifted



Taking into account frequency for food-led visits, there are four broad consumer groups emerging in attitudes towards the sector

19%

Of the population previously **ate out** at least monthly and will continue to do so

1

45%

Of the population previously **ate out** at least monthly and will continue to eat out, but with caution

2

21%

Of the population previously **ate out** at least monthly and are now suggesting they will return to the market far less frequently

3

5%

Of the population previously **ate out** infrequently and will continue to do so

4

Consumers expect more from venues in order to feel comfortable, with these precautions perhaps illustrating the ‘new normal’

Which, if any, of the following would make you feel more comfortable in pubs, bars or restaurants?



Tables/seats moved
apart

64%



Free hand sanitiser
available

60%



Enhanced cleaning
protocols

56%



Social distancing
measures

55%

Once restrictions are lifted, consumers would feel most comfortable going out for typically small group occasions

Top 5 occasions consumers would feel **most comfortable** going out for when Government restrictions are lifted



A catch up with friends

64%

#1



Personal celebrations

50%

2



Romantic occasion

48%

3



Regular/everyday occasion

45%

4



Treat/reward

41%

5

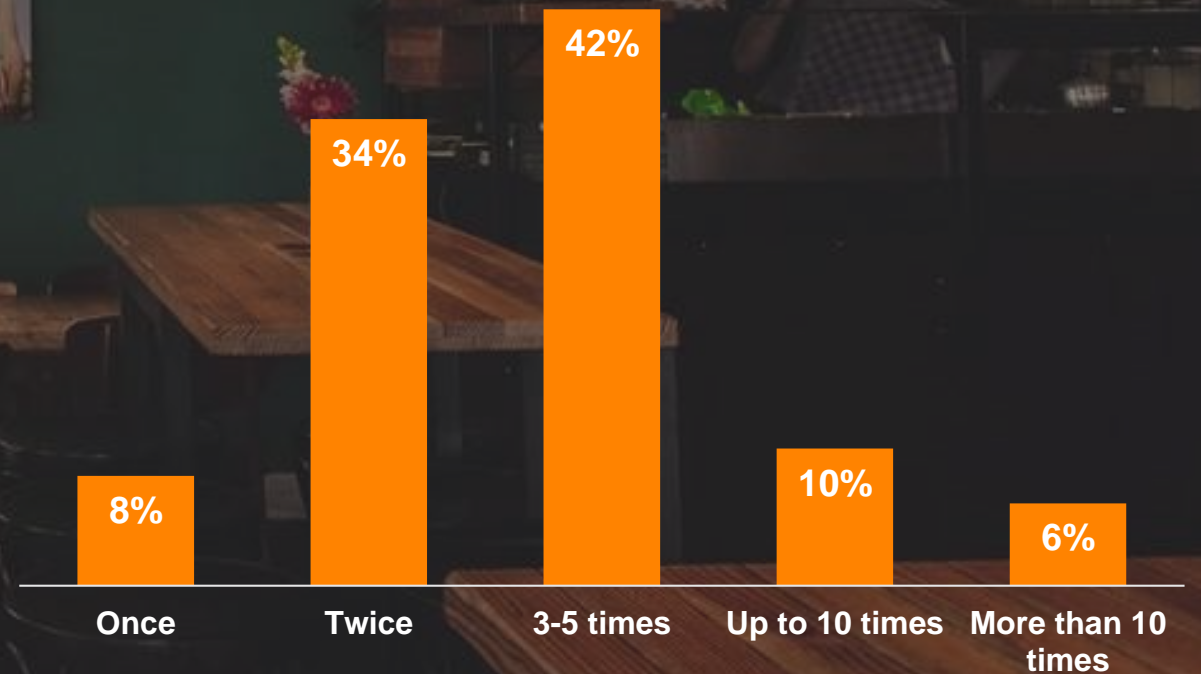
WHAT CAN WE LEARN FROM OTHER MARKETS? REVIEWING THE RECOVERY IN CHINA

There is an almost exact split of consumers who have been out since lockdown and those who haven't, indicating a cautious return to the 'new normal'

48%

Have visited the on premise since restrictions have been lifted

How many times have you been out to eat or drink since cafes, bars and restaurants have been permitted to be open?



The previously most frequent visitors to the market have been quickest to return, mirroring predictions from the GB population

Proportion of consumers who have visited on premise since venues have been permitted to re-open

60%

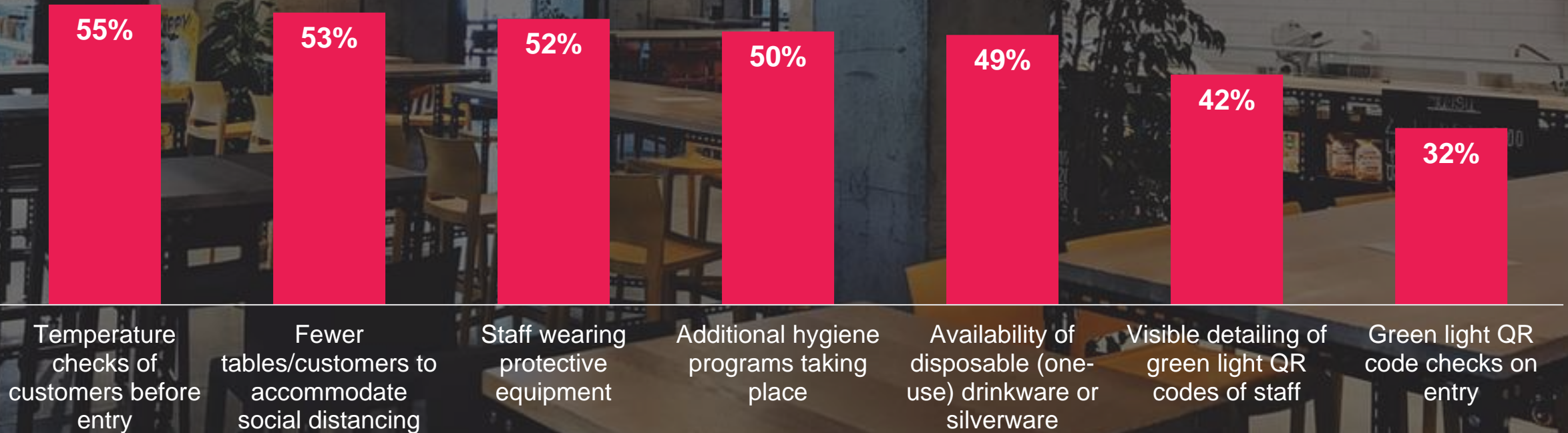
Of consumers who previously ate and drank out weekly

34%

Of consumers who previously ate and drank out once every 2-3 months

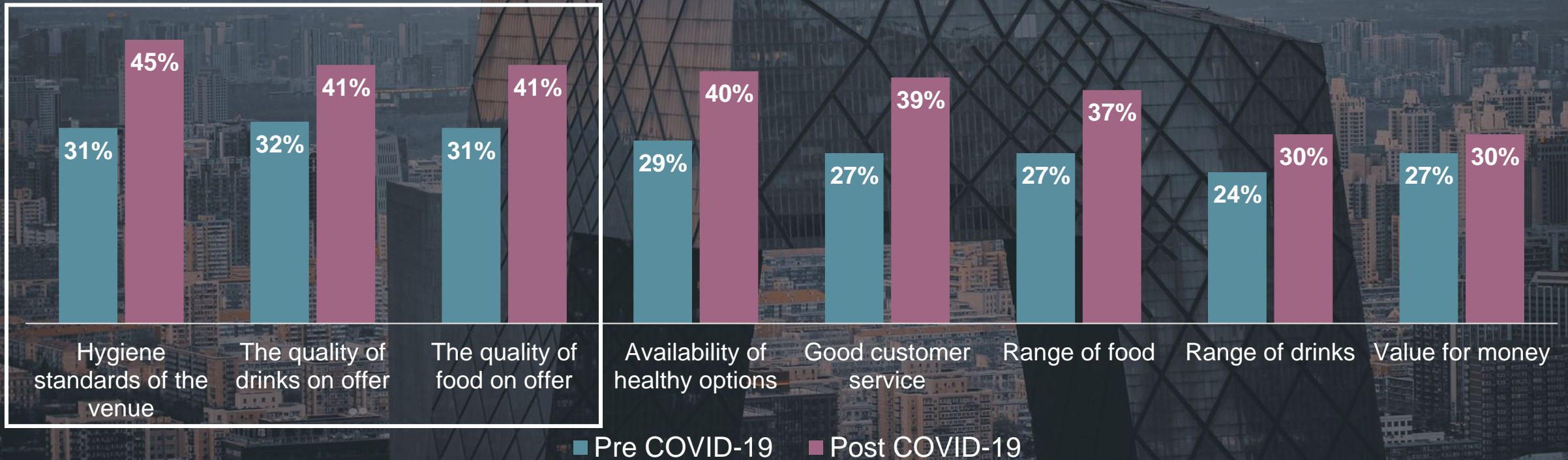
With track and trace systems in place, consumers in China are looking for as much reassurance as possible to encourage visits

Top factors that would encourage consumers who have already been out post-lockdown to visit the market



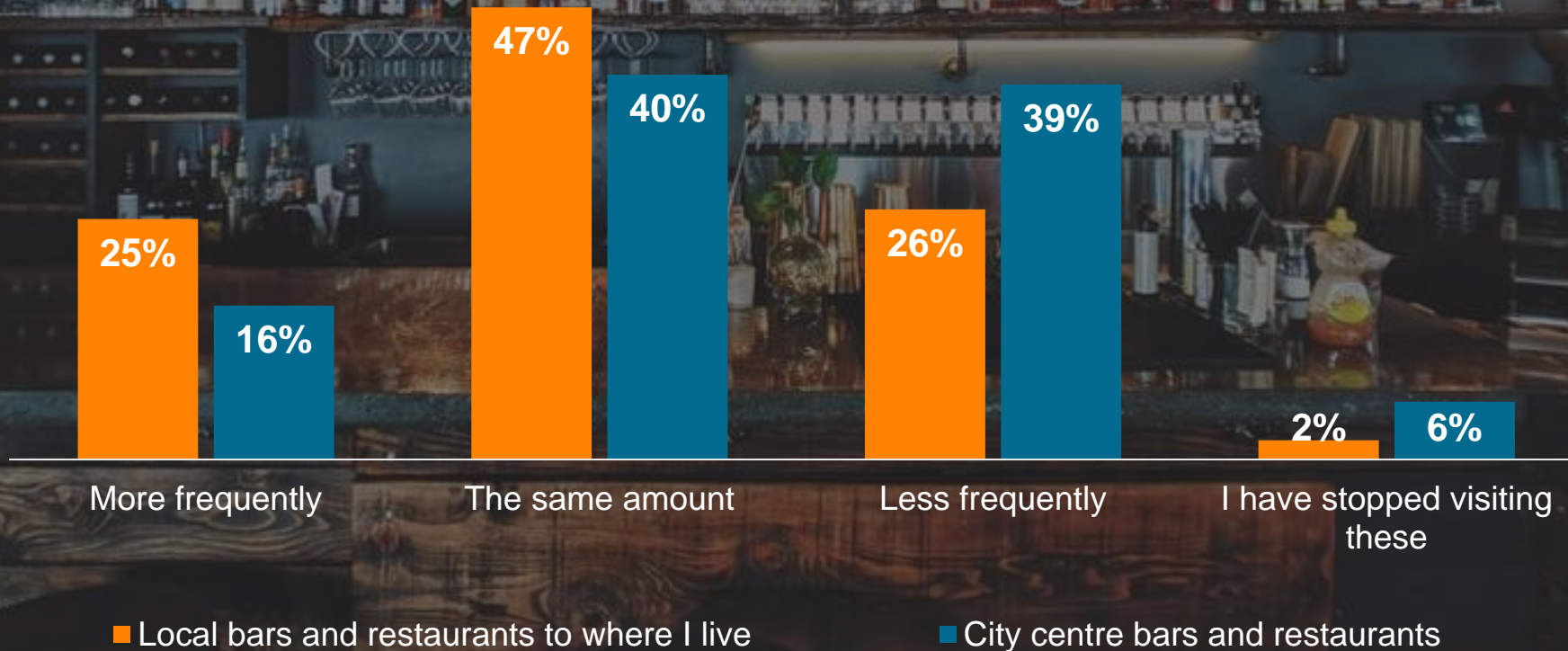
In a post-COVID world, consumers are taking more factors into account, with hygiene communication non-negotiable

“Very important” factors in choosing where to visit pre and post COVID-19



A combination of a renewed community pride and a reluctance to visit city and town centres has resulted in an uptick in visits to local outlets

Frequency of visit vs. pre COVID-19:





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As well as looking local, consumers are continuing other habits formed during lockdown, including an increased focus on health

Proportion of consumers who did the below more often during lockdown and are continuing to do so with restrictions lifted:



34%

Live a healthy lifestyle



33%

Buy healthy food



29%

Buy healthy drinks



29%

Source environmentally friendly ingredients



28%

Buy local products



24%

Order hot food delivery



19%

Work from home



19%

Order alcoholic drinks from a bar or café



18%

Invest in the local community

However, there has been relatively little drink category shift post lockdown, suggesting less longer term impact on behaviours

Proportion of on-premise visitors choosing categories when out:

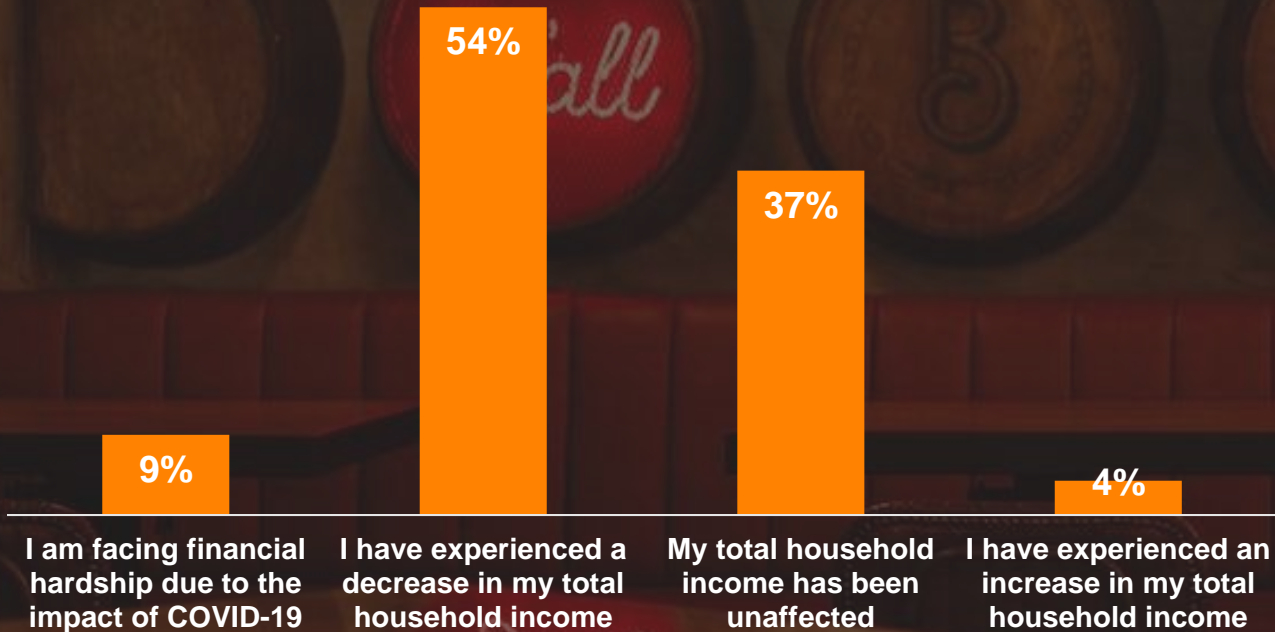


72%

of consumers are concerned about the long-term financial implications of the COVID-19 outbreak

Negative financial impacts of COVID-19 have left the population concerned about long term prospect and are re-prioritising spend as a result

Thinking specifically about the impact of COVID-19, which of the following describes how your financial situation has been affected?



-9%

Drop in average weekly spend on eating and drinking out for Chinese consumers who have re-engaged with the market

WHAT DOES THIS MEAN FOR RECOVERY? PLANNING FOR A RETURN TO HOSPITALITY

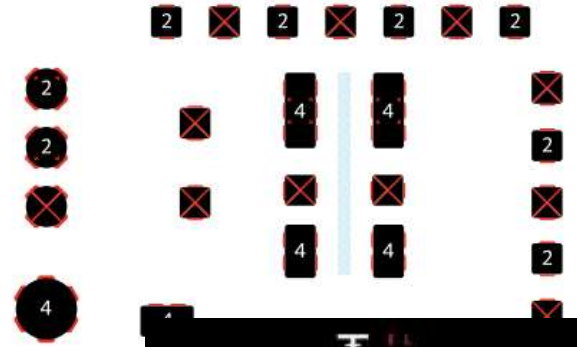
Countdown to the 4th July...



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Example floor layout – not to scale but achieving 2m distancing.



Wetherspoons unveils plans to ensure pubs can safely reopen



Table service

Please help to keep everyone safe by ordering using the app.

No need to visit the bar, use a menu or handle cash.

Use the Wetherspoon app and we'll bring your food and drink to your table.

Download

Available to download from the App Store and Google Play

wetherspoon

CHEERS TO THAT Greene King pubs plan for beer gardens to open with punters ordering from phones when lockdown measures lift

Levi Winchester, Senior Digital Consumer Reporter
6 May 2020, 13:59 | Updated: 6 May 2020, 18:35

   **34 Comments**

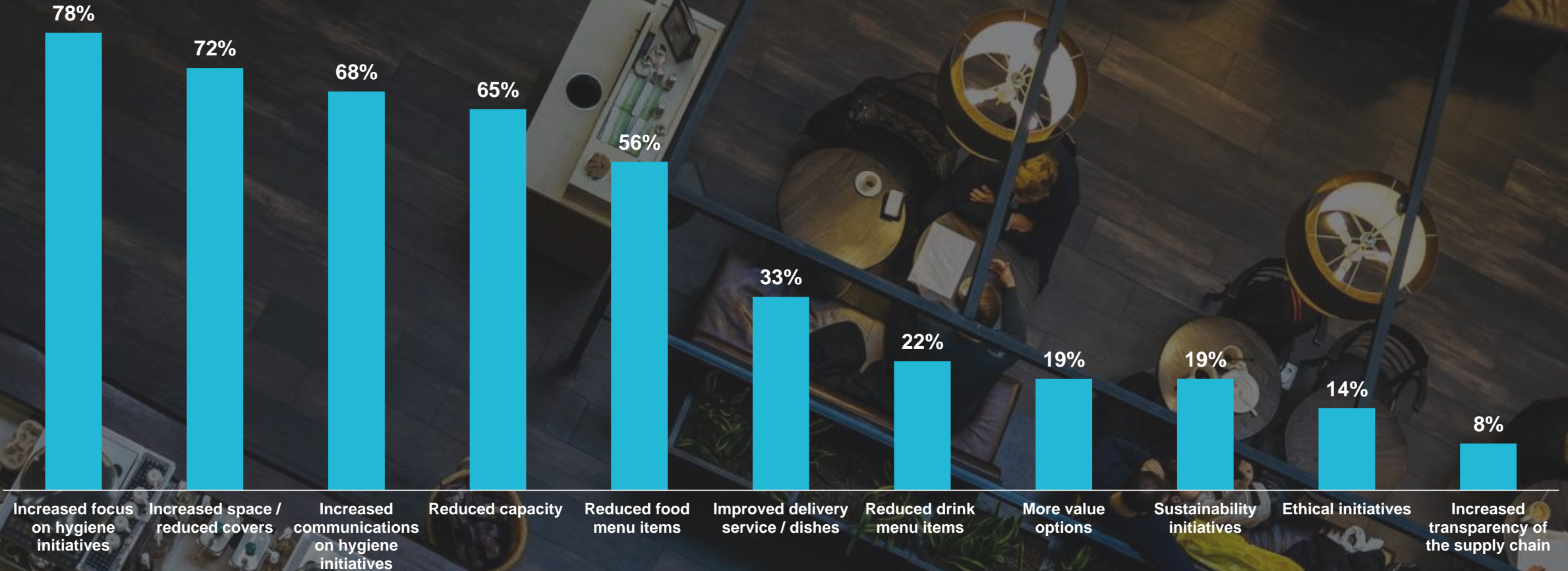
GREENE King is planning to open beer gardens with punters ordering drinks via phones when the lockdown lifts.

Gardens will most likely be the first areas that will reopen in pubs following easing of coronavirus lockdown measures, according to chief executive Nick Mackenzie.



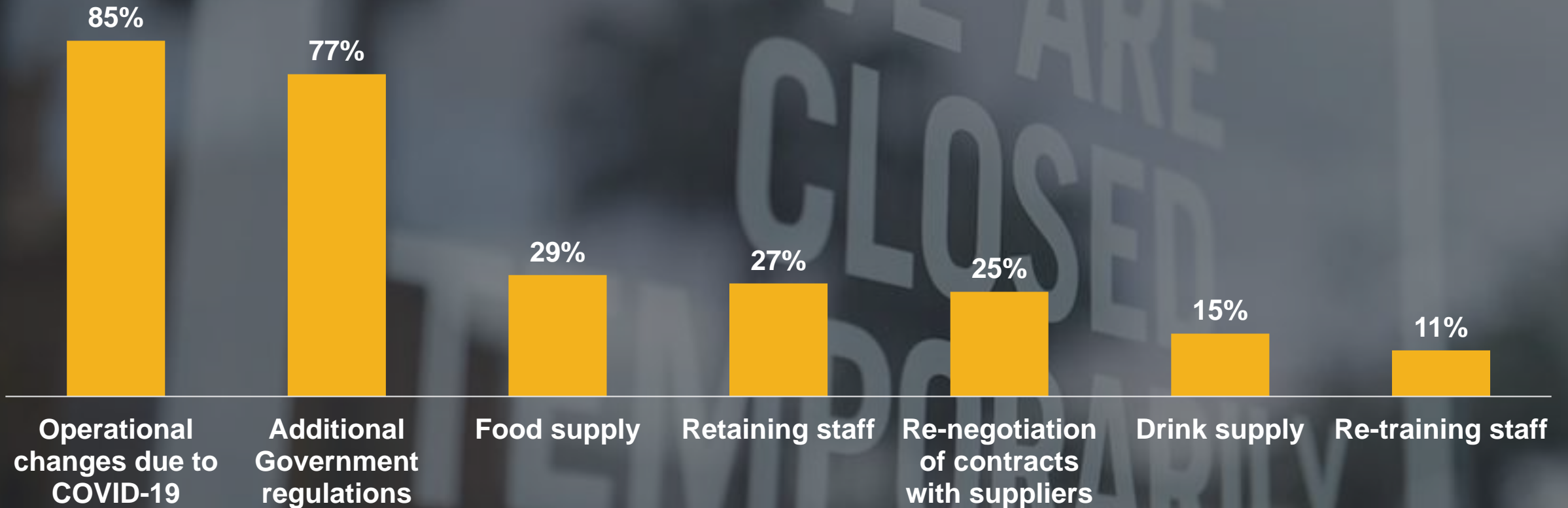
Business leaders are focussing most on hygiene initiatives and implementing personal distancing measures across their estates

Which of the following are you planning to implement post-lockdown?



Operational changes are clearly the biggest challenge for recovery, but they are not the only challenge

*How challenging do you perceive the following to be for your recovery?
(% of leaders who said 'our biggest challenge' or 'a major challenge')*



Employers also plan to review and enhance their culture, as well as organise team meetings to re-invigorate their workforce

How do you plan to re-energise your workforce, once restrictions have been lifted?

Reviewing & enhancing culture



69%

Team meetings



55%

"Away day" or group activities



27%

Providing access to training and certifications



21%

Bonus schemes



20%

Other financial incentives



15%

Providing innovative technology



12%

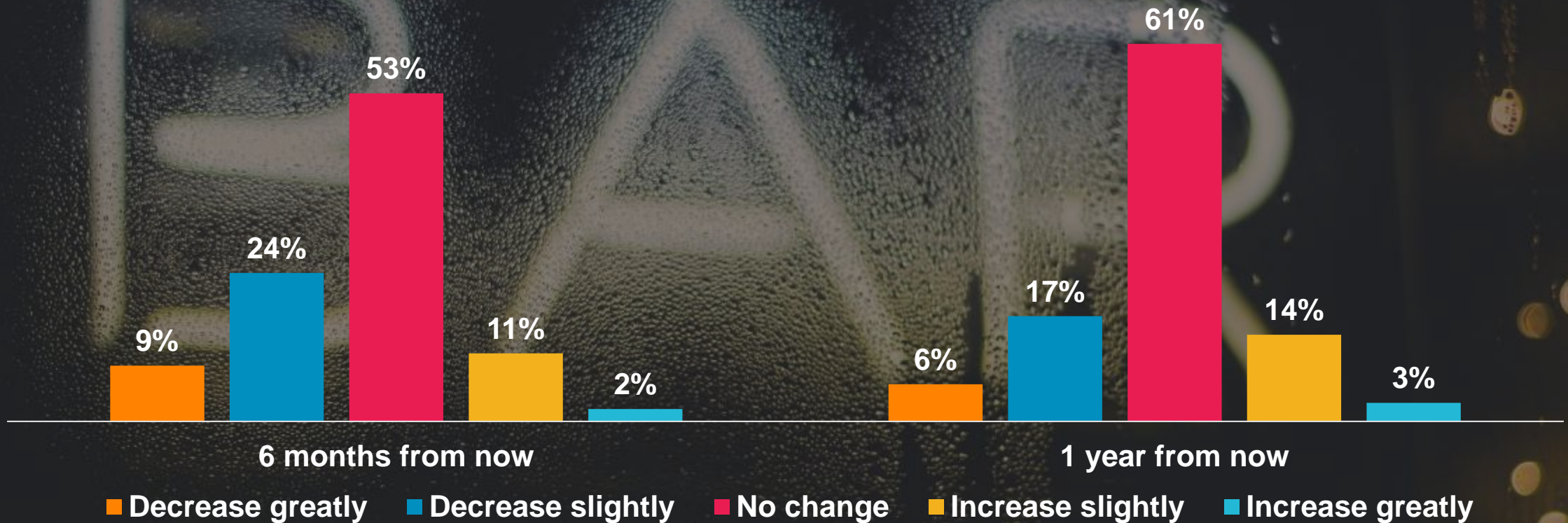
Increased wages



1%

Consumer spend will take time to return and consumer behaviour will be different for many

Looking to the future, how do you expect your average monthly spend on eating and drinking out to change compared to pre-COVID-19?



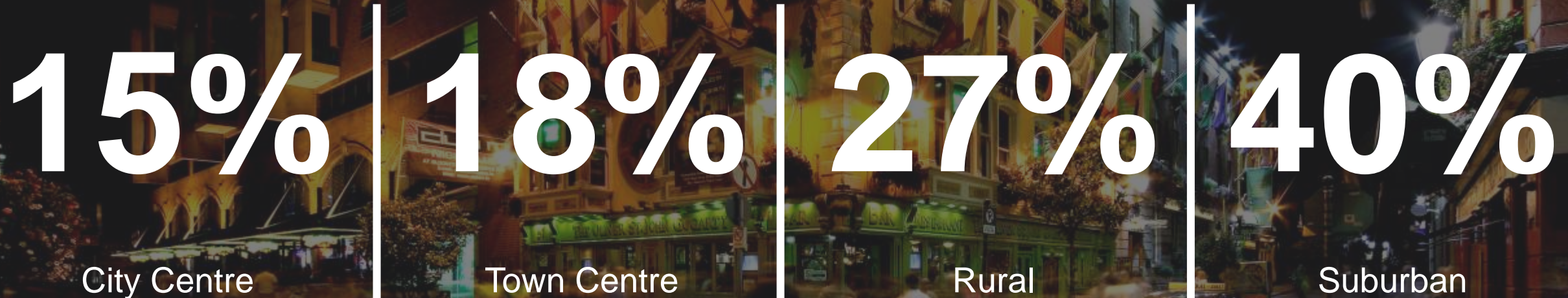
Business leaders predict both a reluctance among consumers to visit city centres as well as an increased desire to support local

Which of the following long-term changes in consumer behaviour do you expect post-lockdown?



This predicted reluctance is evident among consumers, with those who reside in suburban and rural areas far less confident about visiting outlets located in town and city centres

*How concerned do you think you would be with visiting bars/restaurants in the city/town centres?
Proportion of consumers who would be 'very concerned', split by location:*



The shape of the market will look different after lockdown, not all outlets will open at the same time and some will stay closed



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85%

**Of consumers are worried
about the long-term financial
implications of COVID-19**



Prior to COVID-19, consumers were polarised with predictions toward economic uncertainty, requiring sophisticated pricing reviews

If the price of eating and drinking out was to rise in the near future, which of the following statements do you think would apply to you?



Robust data and insight is going to be more important than ever to navigate the recovery

- ✓ **How and where is the market re-opening?**
- ✓ **What does footfall look like and how is it changing by location and day of week?**
- ✓ **How do we understand sales performance quickly?**
- ✓ **What is our market share by segment, by category, by region?**
- ✓ **How are our consumers changing their behaviour?**
- ✓ **What operational changes do customers need and how do we communicate them?**
- ✓ **How should our offer evolve?**

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