



Christmas Outlook 2020

Summary of Market and
Consumer Insights

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If you'd like to know more about anything you read here, contact:
hello@proofinsight.com

Headlines: The British public would really like to go out

- Where possible, the return to trade is expected to be twice as fast as July
 - 17m people have said that if allowed they will be in trade in the first 10 days
 - A total of 25m customers would visit the On Trade in December, up from the 23m in July
 - Half of British adults would happily trade a January lockdown for a family Christmas
- The return will be led by POURTRAITS segments* Revellers, Enthusiasts & Appreciators
 - Repeat custom is more likely once a site is tried and tested. Prior to lockdown 15% of Revellers went to a pub 3+ times per week – use variety & quality to drive loyalty
 - Spacious venues located close to home will be prioritised by consumers. Sites investing in outside space will continue to outperform.
- The On Trade at Christmas provides treats you can't get at home
 - **PUBS:** Stout, Cocktails, Shots, Mulled wine and Craft beer are key
 - **RESTAURANTS & FOOD PUBS:** Significant opportunity for Red Wine Trade-up and Sparkling wine (especially English) in Tier 2 & Tier 1 sites. By the Glass list expansion important to ensure all sales are captured

Key Facts



If restrictions permit, **17 million adults (32%) plan to head out to pubs, bars or restaurants** within the first 2 weeks of December*. Consumers in South England (41%) more likely than the North and Midlands (30%)



Suggesting a **less cautious return to the trade** than in July... On Trade drink sales surged **+28% YOY** (Tues) and **+11%** (Weds) just before England entered lockdown 2.0...



...However 65% still feel unsafe in close proximity to others, with 42% uncomfortable **dining/ drinking indoors** On Trade



Quality of food and drink offering was the most influential factor driving consumer's venue choice at Christmas 2019



As the venue of choice for a **Christmas Get-together** and **Quiet Drink**, Pubs are best placed to win during a lower-tempo festive period

A strong appetite for a return to the trade, notably among optimistic under-35s, speaks to the consumer confidence in the hospitality sector.

Tiers / Levels: Anticipated impact on the On Trade (Dec 2020)

- Tier 3 / Level 3 (Full Lockdown) **c.25% of sites trading, -95% drinks sales drop vs 2019**
 - We anticipate **15%-35% of sites will trade** in these areas. Because of takeaway only, rate of sale (ROS) will drop to between -70% to -90%, resulting in **On Trade drinks sales 2%-11% of 2019 levels in Tier 3 / Level 3 areas.**
 - Any sites who want to start offering takeaway or click & collect should visit: www.mylocaldelivers.com or contact: enquiries@mylocaldelivers.com.
- Tier 2 / Level 2 (Restricted Trade) **c.50% of sites trading, -70% drinks sales drop vs 2019**
 - We anticipate **40%-60% of sites will trade** in these areas. Because of the requirement for food and reduced capacity, ROS will drop to between -30% to -50%, resulting in **On Trade drinks sales 20%-42% of 2019 levels across Tier 2 / Level 2 areas.**
 - Results will be heavily location led. Restaurants & Food Pubs could operate well as increased customers per open outlet drives incremental footfall. Food can potentially be used to extend spend on drinks.
- Tier 1 / Level 1 (OPEN but rules apply) **c.85% of sites trading, -40% drinks sales drop vs 2019**
 - We anticipate **75%-95% of sites open** in these areas. Because of socialising restrictions, ROS will drop to between -20% to -40%, resulting in **On Trade drinks sales 45%-76% of 2019 levels in Tier 1 / Level 1 areas.**
 - Restaurants, Community & Food Pubs likely to fare better. The sites who will perform best will be focused on under-35s or affluent 35-55-year olds in commuter towns. Understanding Average Target Customer per open competitor (ATC) will be important. Contact PROOF to find out more.

Tiers / Levels: How can sites make the best of things?

- Tier 3 / Level 3 (Full Lockdown)
 - Offer delivery/takeaway for food and drinks, ensuring ease of purchase on digital channels. If you don't have this, email enquiries@mylocaldelivers.com to see how we can help.
 - Consider mulled wine/cider/Hot Toddies and other warming drinks for takeaway.
- Tier 2 / Level 2 (Restricted Trade – can only sell alcohol with a meal)
 - Food-led venues need to be proactive in reaching out to customer base and taking bookings.
 - With social distancing reducing covers, maximising value is key. Consider a time limit on table bookings and drive trade-up / stretch spend on drinks.
 - Trade-up: Ensure there are trade-up options that staff are confident recommending.
 - Outdoor space: Utilise outside space and make your site “Winter-ready” where possible.
 - Consider mulled wine/cider/Hot Toddies and other warming drinks for takeaway and/or in venue.
 - Offer delivery/takeaway for food and drinks, ensuring ease of purchase on digital channels.
- Tier 1 / Level 1 (OPEN but rules apply)
 - All venues need to be proactive in reaching out to their customer base and taking bookings.
 - Exclusive: Focus on the drinks that cannot easily be replicated at home e.g. draught Stout, cocktails.
 - Trade Up: Ensure there are trade-up options that staff are confident recommending.
 - Start earlier: Bring the night forwards e.g. marketing a lunch/brunch occasion or 5pm cocktail club.
 - Outdoor space: Utilise outside space and make Winter-ready where possible.
 - Consider mulled wine/cider/Hot Toddies and other warming drinks for takeaway and/or in venue.
 - Offer delivery/takeaway for food and drinks, ensuring ease of purchase on digital channels.

A circular graphic with a dark blue center and a colorful gradient ring. The ring transitions from purple on the left, through blue, green, and yellow, to red on the right. The text "5 Key Things" is centered in the dark blue circle.

5 Key Things

1

On-Trade Exclusive

Show consumers what they cannot get at home
e.g. The perfect pint or cocktail – focus on quality



2

Start earlier

Move the night forward to make more of it
5pm Cocktail Club?



3

Outdoor Space

Winter-ready outdoor space

Help the 40% who feel uncomfortable indoors



4

Trade-up

Red Wine, Sparkling wine, Cocktails & Craft

Help customers treat themselves



5 Digital

Ordering from a phone is expected. It can also showcase your whole range, encourage trade-up and allow people to order at their own pace

MY LOCAL DELIVERS
A simple online solution for hospitality businesses to manage table service, collections and deliveries with no upfront fees

- FREE SET-UP
- LIVE WITHIN 72 HOURS
- FREE WEBSITE AND APP SET UP
- OFFER CUSTOMERS DELIVERY, COLLECTION, TABLE SERVICE OR ROOM SERVICE
- STRAIGHTFORWARD DELIVERY SOLUTION FOR HOSPITALITY SITES VIA INTEGRATION WITH WWW.STUART.COM
- USE QR CODES TO DIRECT CUSTOMERS TO YOUR MENU ONLINE
- NO EPOS INTEGRATION REQUIRED
- PRICING STARTS AT 2% PER TRANSACTION OR £125 PER MONTH, WHICHEVER IS CHEAPEST

For further information contact:
enquiries@mylocaldelivers.com
02074494055

To start the set-up process go to:
<https://www.mylocaldelivers.com/merchant-signup>

LOCAL
Food & drink delivered

Place Your Order
Select a category

Food	Get Cars	Your Order
Beers & Ciders	Drinks	
Free Spinning	Wine	
Hot Drinks	Hot	

c&c group plc  **hungerrr**

Summary: Restrictions permitting, there are ways to win

Whilst Levels/Tiers will dictate what can be done in each area, across Great Britain there are significant numbers of consumers keen to get back to the On Trade as soon as things open up.

For those areas in Tier 1 and Tier 2 from December 2nd, there are opportunities to engage with key consumer groups, especially the under 35s and wealthy suburban commuters.

Affluent commuter towns will be hotspots for re-opening and are the areas of biggest opportunity; with POURTRAITS segments **Revellers**, **Enthusiasts**, **Appreciators** and **Regulars** the focus.

With new Tier guidelines in England requiring food to be served in Tier 2 sites (aligning to the Levels in Scotland), Upmarket & Premium Food Pubs & Restaurants have the best chance of success. Average Target Customer per open competitor (ATC) will continue to be a key indicator of how well a site is set-up for success.

Five ways to capture spend:

1. On-Trade Exclusive. *Show consumers what they cannot get at home e.g. The perfect pint or cocktail – focus on quality. Go the extra mile with an experimental or ‘signature’ serve for **Enthusiasts**; it’s all about a quality pint of Lager for **Regulars**.*
2. Start earlier. *Move the night forward to make more of it 5pm Cocktail Club?*
3. Outdoor space. *Winter-ready outdoor space. Help the 40% who feel uncomfortable indoors. Serve Mulled Wine/Cider/Hot Toddies or other warming drinks for takeaway or at an outside bar.*
4. Trade-up. *Consumers will want to trade-up - help them treat themselves.*
5. Digital. *Ordering from a phone is expected. It can also showcase your whole range, encourage trade-up and allow people to order at their own pace*



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Who are PROOF?

- PROOF is a drinks **insight** company owned by C&C
- We use **bespoke tools** to answer the commercial questions of distribution businesses and brand owners within the drinks industry
- Offering an unrivalled mix of consumer research, distribution analysis and competitor benchmarking, we provide **unique insights** into the drinks market



Consumer
research and
occasion
segmentation



Location
planning and
segmentation



Competitor
benchmarking
reviews

Our tools provide a 360-degree view of the drinks market and its consumers

POURTRAITS™

Consumer segmentation based on drinker attitudes and behaviours, helps you more accurately target the most relevant drinkers for your product or range

OUTLET™

On trade site and spend database covering all premises in GB, helps you identify where to target your proposition based on the consumer and market landscape

LOCAL

F&B ordering platform, for table/room service, delivery or click & collect. Helps you adapt to meet demand for at-home consumption and in-outlet health and safety



PRODUCT

On trade pricing tracker to help operators identify margin enhancement opportunities in their drinks pricing offer

MODE

Drinks trend tracker to help you understand what trends are coming, and stay ahead of the curve

OCCASIONS

Drinker repertoires continue to increase, with choices influenced by the setting. OCCASIONS helps you best understand where to target your brand amongst this increasing complexity

POURTRAITS™

The first of its kind in the UK market, POURTRAITS is a pioneering segmentation that identifies consumer behaviours, attitudes and spending patterns towards drinks

- All channels
- All outlet types
- All drinks categories
- Current market trends

We initially surveyed **12,000** GB consumers

- *Behaviours including frequency, volume, location, motivation and occasion*
- *Attitudes towards premiumisation, health, experimentation and more*

and have since surveyed **thousands more** on our **community panel**

- *to validate our knowledge across all drinks consumption and purchase points*



SHORTLISTED

POURTRAITS
community

IWC INNOVATOR OF THE YEAR 2018

OUTLET is a database of **150,000** hospitality venues and sites across the UK & Ireland

- Contains extensive information on every site e.g. location, amenities
- Site level model of the On Trade wholesale market
- Powered by combined sales data
- Regularly refreshed

This is overlaid with consumer spend data to show how spending breaks out by site type and drinks category in any given location.

- Puts a business in context
- Can help identify new cities/geographies to target



