

CONSUMER COUNTDOWN TO REOPENING SERIES

Part 3 – Broader hospitality and conflicting spend patterns

Spanning across two nationally representative **samples of 5000 and 1000 GB On Premise consumers**, CGA's Part 3 of the **CONSUMER COUNTDOWN TO REOPENING SERIES** explores consumer confidence and sentiment towards returning to the On Premise as well as broader hospitality venues. The report lays out consumers' financial situations and expected spending patterns when the market reopens. Results were collected between the **26th Feb – 15th March** and **2nd– 11th of March**.

The CGA logo consists of the letters 'CGA' in a white, bold, sans-serif font, centered within a blue circular shape. The background of the entire slide is a photograph of an outdoor restaurant patio with several tables covered in white cloths and wicker chairs, set against a stone building facade.

CGA

CONSUMER COUNTDOWN TO REOPENING SERIES

INTRODUCTION



PHENOMENAL DATA. EXPERT INSIGHT.

With the GB out of home market's roadmap to reopening outlined, CGA's Consumer Countdown to Reopening Series delves into consumers' plans for reopening, changing behavioural patterns & sentiment, hospitality predictions & factors for successful On Premise visits.

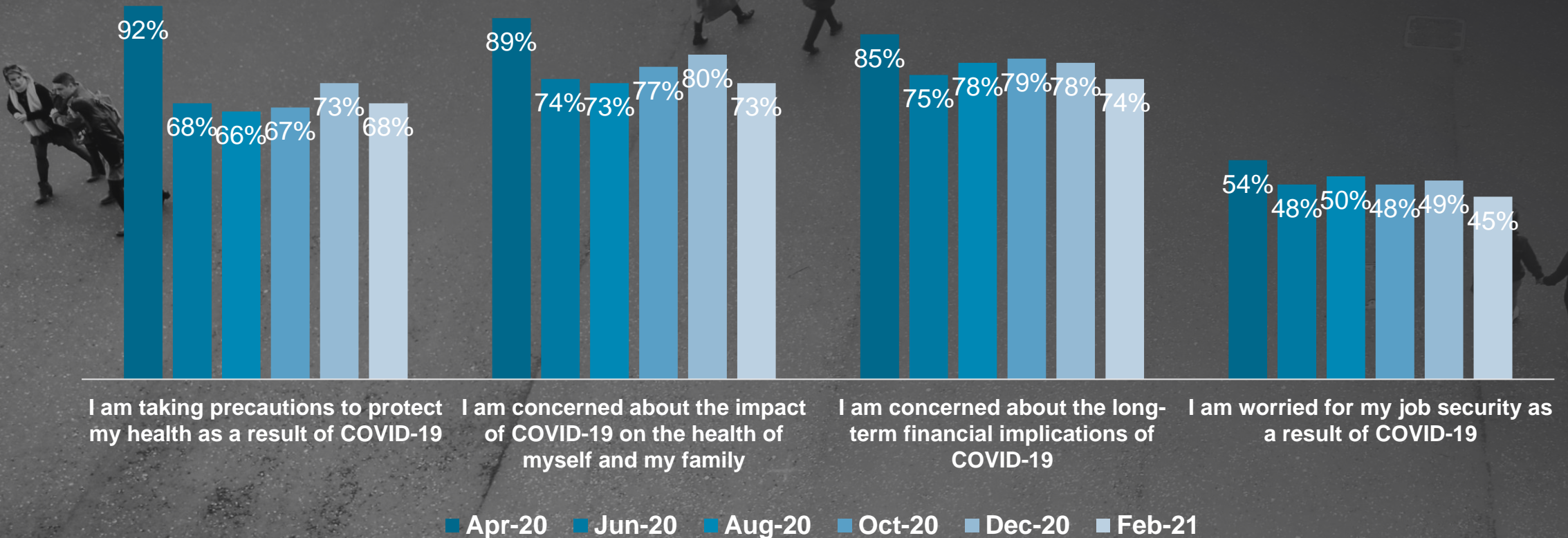
The exclusive series of reports offer insight across key topics impacting the sector, with further detail available on request.

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74% of the GB population remain concerned about the long term financial implications of COVID-19, overtaking concerns around health

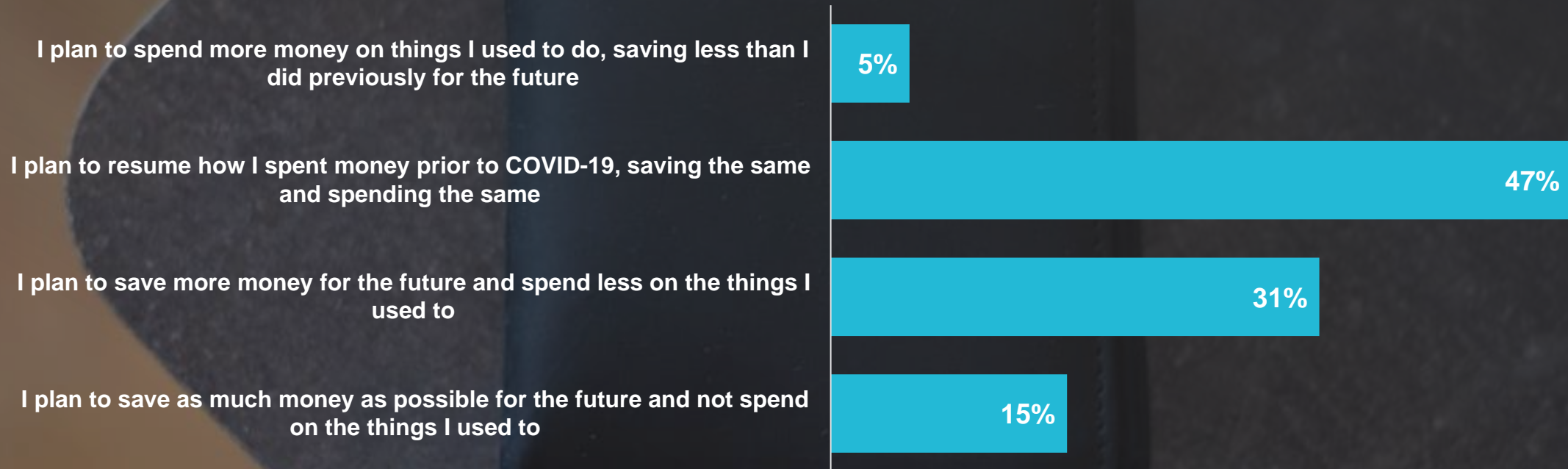
How strongly do you agree with the following statements?
% who said 'strongly agree' or 'agree'



Sample size: Apr-20: 2490, Jun-20: 5012, Aug-20: 5004, Oct-20: 4991, Dec-20: 2994, Feb-21: 5000

With long term financial concerns evident, 46% of consumers are looking to save money, even as restrictions ease

Thinking about when restrictions have eased and you are allowed to resume “normal activities” enjoyed prior to COVID-19, which of the following best describes your attitude towards spend your disposable income:



With value likely to be elevated for consumers, amongst financial insecurity, the link between value and quality, rather than simply cost, should be recognised

Based on what I spend when I eat and drink out, **value for money is...** (Please select all that apply)

Top 3 of 12:

- 1.** Something that is good quality **44%**
- 2.** Something that is worth its cost **42%**
- 3.** A good deal **37%**

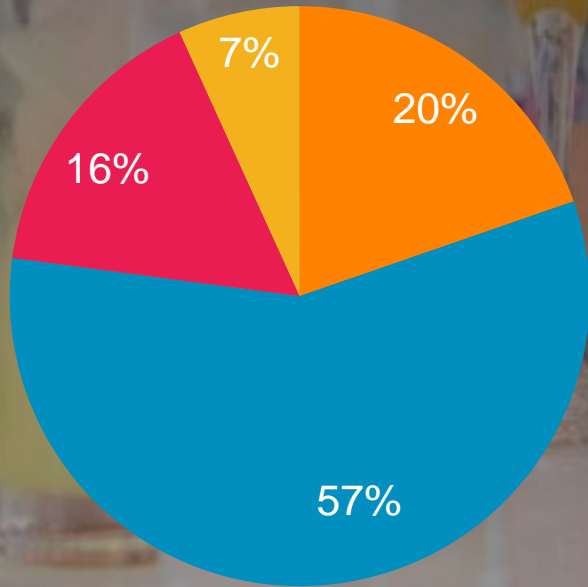
Bottom 3 of 12:

- 12.** A cheap option **10%**
- 11.** Receiving a large quantity/ portion size/ drink size **12%**
- 10.** Something cheaper than expected **13%**

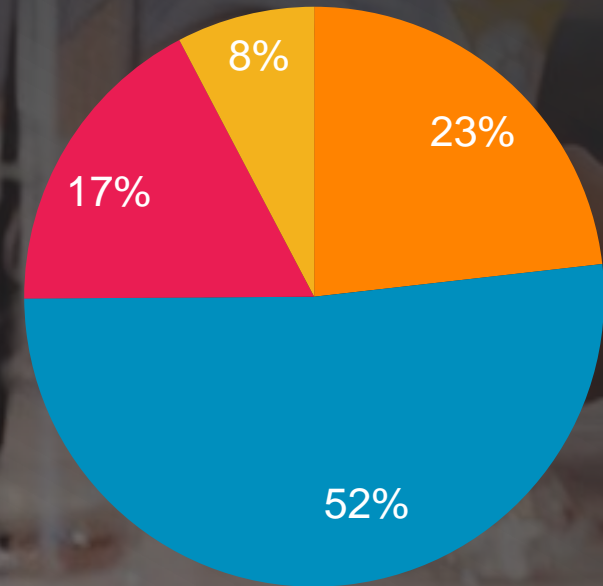
Despite concerns, consumers' personal finances look healthy, with expectations that disposable income will either stay the same or increase in the next 12 months

How do you expect your disposable income to change...

In the next 6 months...



In the next 12 months...

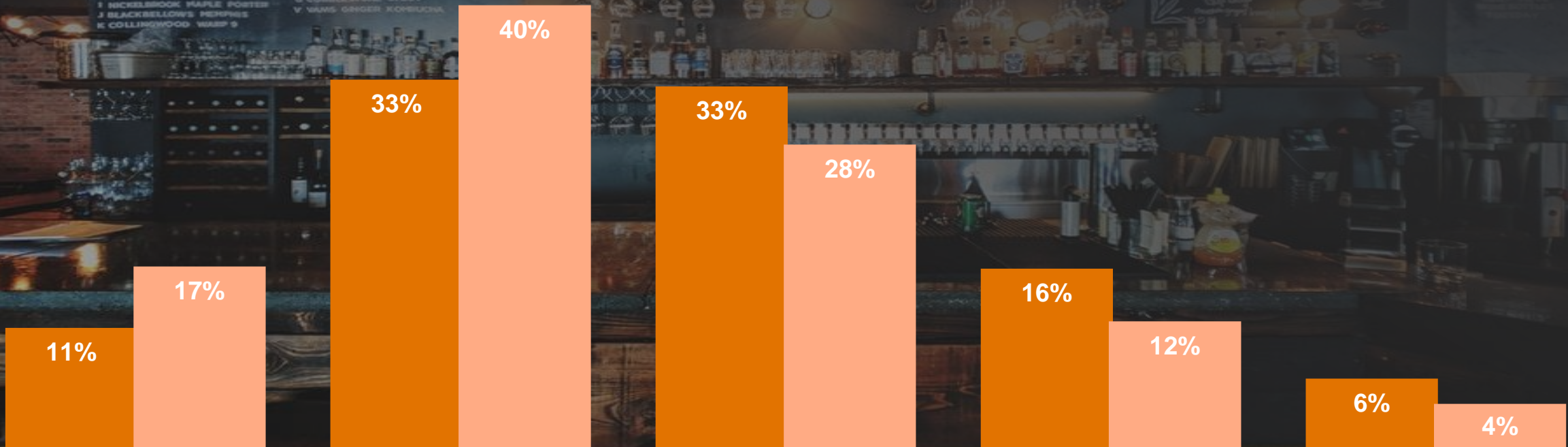


- I expect it to increase
- I don't expect it to change
- I expect it to decrease
- I don't know

Personal financial security appears to be reflected in consumers' positive outlook, particularly for the next 12 months

Generally speaking, thinking about your outlook for the future, how optimistic do you feel about...

■ The next 6 months ■ The next 12 months



Very optimistic

Optimistic

Neither optimistic nor pessimistic

Pessimistic

Very pessimistic

Optimism has increased in consumers in the past 6 and 12 months, with a third feeling more optimistic than they did half a year ago

33%

Of GB consumers are more optimistic than they were 6 months ago

Vs 18% who feel more pessimistic

34%

Of GB consumers are more optimistic than they were 12 months ago

Vs 20% who feel more pessimistic

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Confidence visiting hospitality venues has increased substantially since the start of the latest national lockdown

If pubs, bars and restaurants if they were to open now, how confident would you feel visiting them?

In Feb 2021,

46%

Of GB consumers said they would feel 'very' or 'quite confident'

+12pp

vs when lockdown started in Jan 2021

Sample size: Feb-21: 4999, Jan-21: 2999

Outdoor venues currently instil more confidence in consumers, whilst consumers still require reassurances to visit venue types that have been closed for longer

How confident do you/would you currently feel visiting the following venues?

■ Confident or very confident ■ Not very or not at all confident



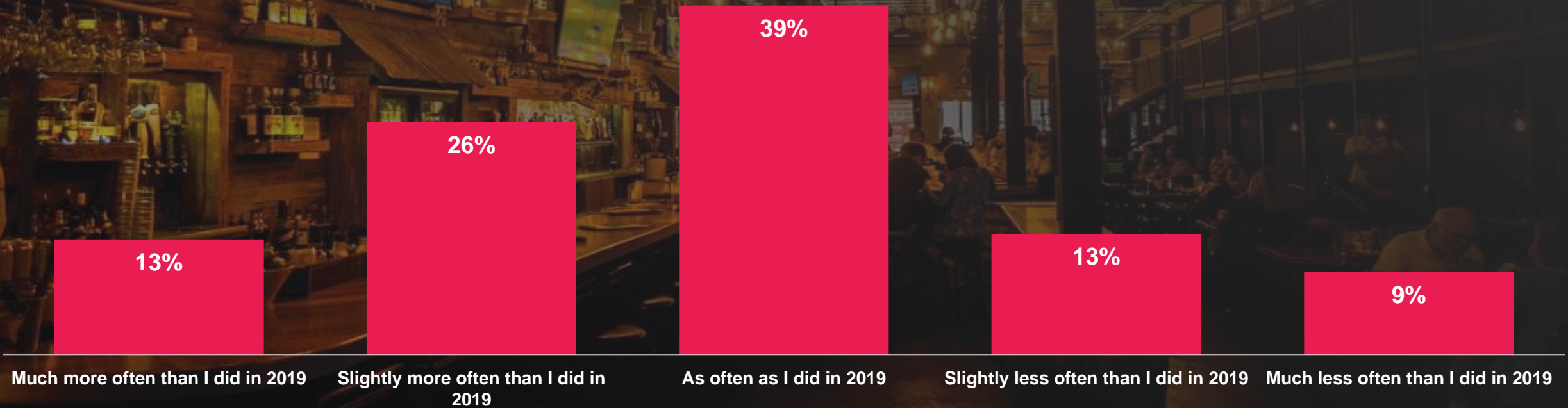
More consumers feel confident eating and drinking out in areas with lower population density

How confident would you feel visiting hospitality venues in the following locations?
% who would feel 'confident' or 'very confident':



Against a backdrop of increased confidence, two in five consumers anticipate increasing frequency compared to 2019 levels

Thinking about the year ahead, if safe to visit, how frequently do you predict that you will visit hospitality venues, compared to 2019?



65%

Of GB consumers agree that COVID-19 has made them realise they need to live in the moment

25% strongly agree

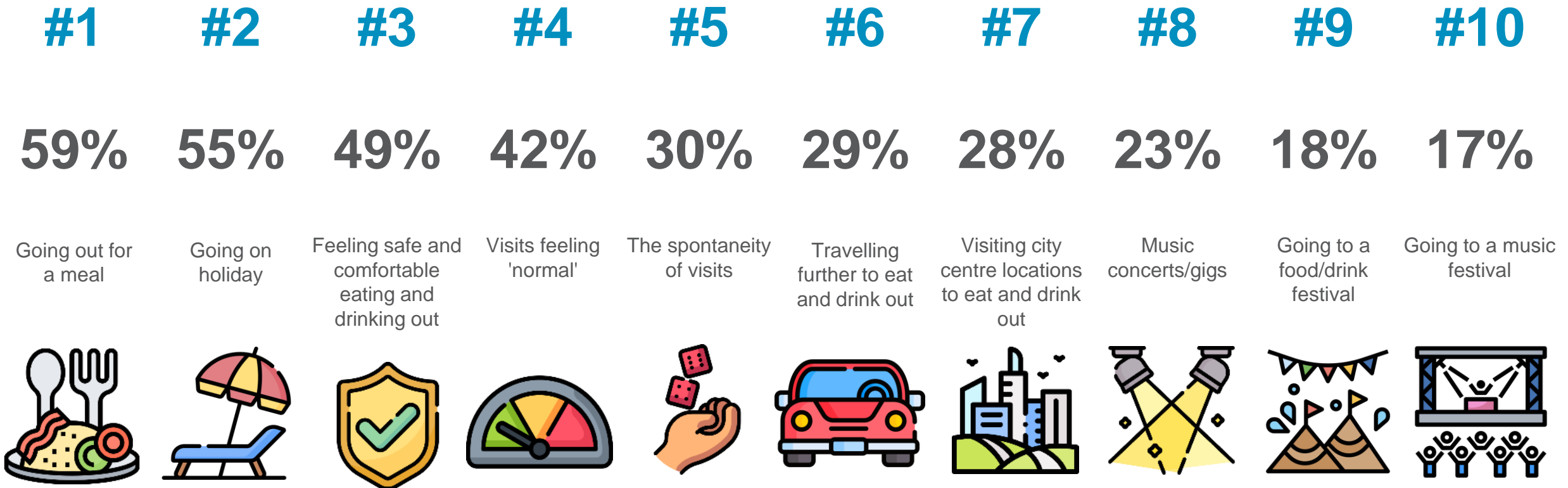
54%

Of GB consumers agree that when things are back to normal they will go out at every opportunity

20% strongly agree

Eating out in hospitality venues is the number 1 activity consumers are looking forward to once restrictions are largely lifted

When things are back to 'normal', which, if any, of the following are you looking forward to? – Top 10 out of 15:



With consumers not expecting to pass up opportunities to enjoy themselves, spending in the eating and drinking out market is predicted to be prioritised

Are you planning to spend more than you usually would on any of the following things over the next 12 months?
- % planning to spend more than previously

29%

Eating and/or drinking out



26%

Holiday (abroad)



24%

Holiday (domestic)



22%

Clothing



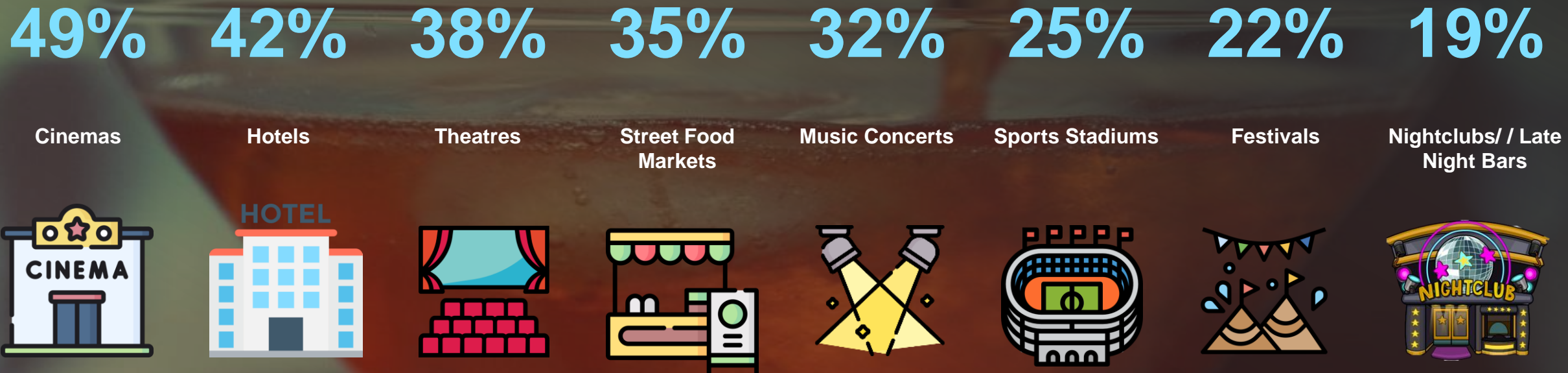
19%

Home Improvements



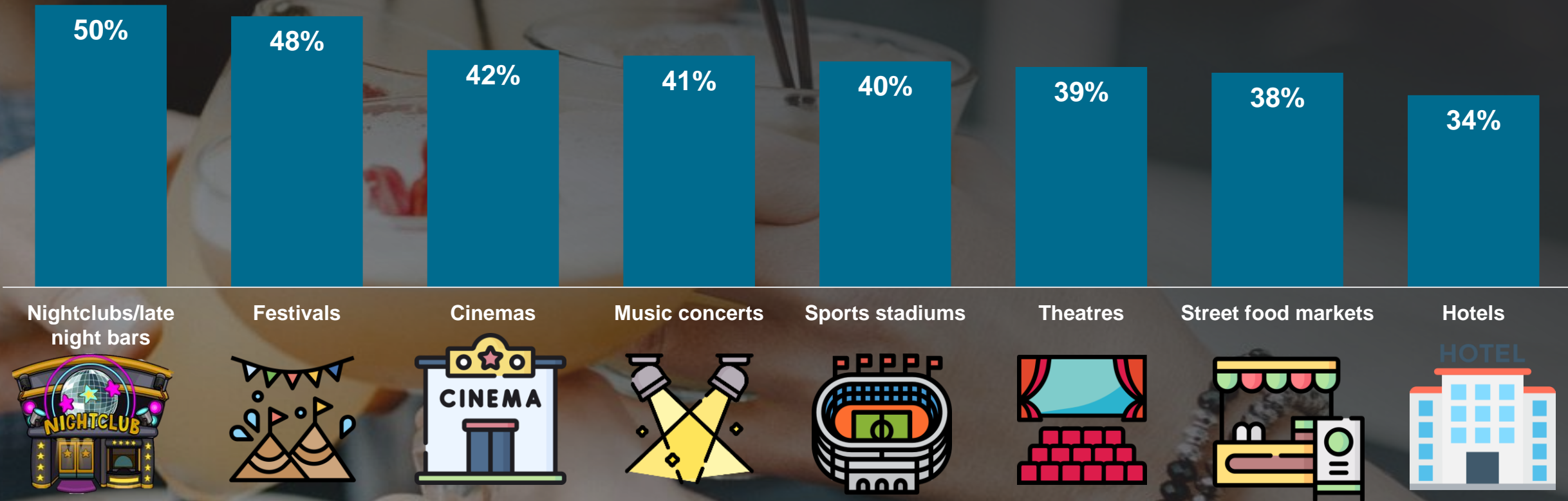
Cinemas and hotels have the broadest appeal, with over 40% of the population typically visiting these venues prior to the pandemic

Which, if any, of the following would you typically visit pre-COVID-19?



Late night venues and festival visitors are the most eager to make up for lost time in revisiting these venues

Of those who typically visit the following venues, the proportion who plan to visit them more frequently to make up for lost time due to COVID-19:



Summary

- Consumers are concerned about the long-term financial implications of COVID-19, with this now overtaking health concerns. Siding on the err of caution, consumers are looking to save more money than they did prior to the pandemic. Value for money is therefore likely to be elevated as result. Operators should understand that value has a much stronger connection to quality than it does to cost and communicate this in their offering.
- Optimism and confidence are an upward trend, most likely influenced by success of the UK's COVID-19 vaccination program but also their personal financial security as three quarters of consumers expect their disposable income to stay the same or increase within the next 12 months. Though confidence visiting hospitality venues is up +12pp since the start of this lockdown, consumers will still require reassurance visiting venues that have been closed for longer.
- COVID-19 has led consumers to realise they would like to live in the moment more (65%) and not pass up on opportunities to go out (54%). Hospitality venues will be at the heart of this, with 'going out for a meal' featuring as the number 1 activity consumers are looking forward to when things return to normal. Furthermore, 2 in 5 expect to go out more than they did in 2019 and 29% anticipate to spend more on eating and drinking out. Channels that can expect the biggest increase in frequency of visits are late night venues and festivals.

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