

'Living a new normal' – Key Consumer Insights

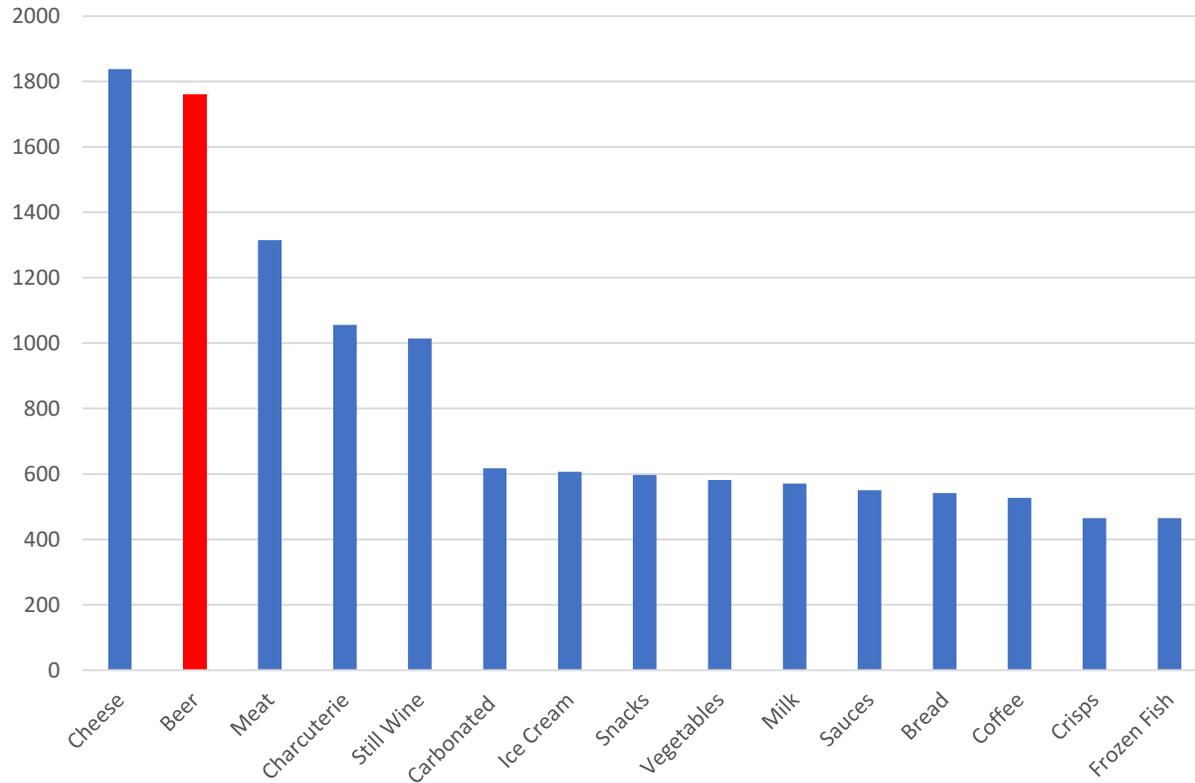
Where are we now?



#1 Proactive Health-minded Buying	#2 Reactive Health Management	#3 Pantry Preparation	#4 Quarantined Living Preparation	#5 Restricted Living	#6 Living A New Normal
Consumer Behavior Shifts					
Interest rises in products that support overall maintenance of health and wellness.	Prioritize products essential to virus containment, health and public safety. E.g. face masks	Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products; spike in store visits; growing basket sizes	Increased online shopping, a decline in store visits, rising out-of-stocks, strains on the supply chain.	Severely restricted shopping trips, online fulfillment is limited, price concerns rise as limited stock availability impacts pricing in some cases.	People return to daily routines (work, school, etc.) but operate with a renewed cautiousness about health. Permanent shifts in supply chain, the use of e-commerce and hygiene practices.
Covid-19 Event Markers					
Minimal localized cases of COVID-19 generally linked to an arrival from another infected country.	First local transmission with no link to other location + first COVID-19 related death/s.	Multiple cases of local transmission and multiple deaths linked to COVID-19.	Localized COVID-19 emergency actions. Percentage of people diagnosed continues to increase.	Mass cases of COVID-19. Communities ordered into lockdown.	COVID-19 quarantines lift beyond region/country's most-affected hotspots and life starts to return to normal.

Beer is leading FMCG Growth

Sales Growth By Category - Europe



FMCG Total Till

£31.6bn

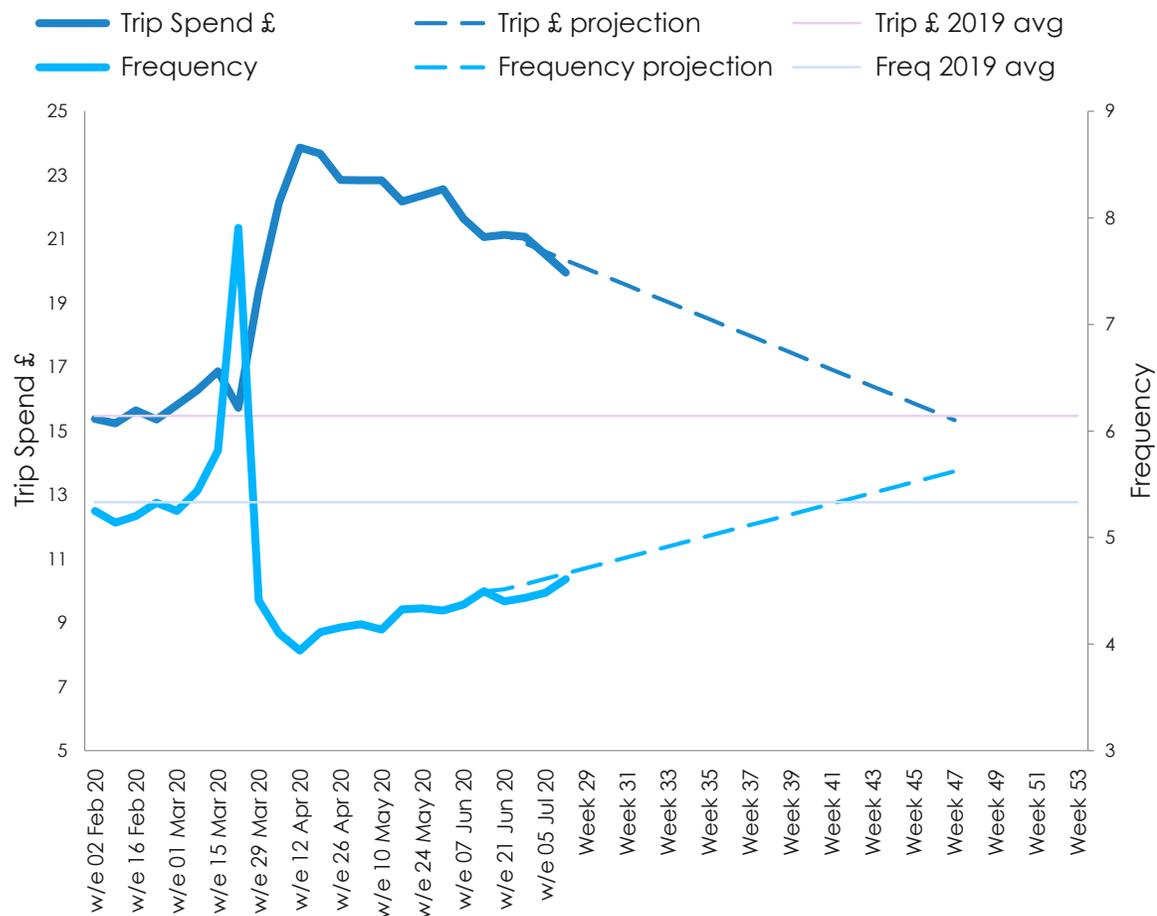
+£4.6 bn

+16.9% YoY

Within BWS, Beer & Cider have been a key engine of growth, with lockdown now accounting for 11 of the top 15 weeks of category value sales of the last three years

We have seen unprecedented levels of growth within FMCG during lockdown, with BWS consistently leading the way in terms of growth

Consumers are slowing returning to normal behaviours, but some lockdown habits will remain.



One of the key differences has been in how consumers shop, with fewer visits to the shops and volume maximised per trip, and as lockdown eases we are starting to see a very gradual return to our pre-Covid shopping behaviour.

No Barrier to entry

“No queuing”

“Not as weird as I thought”



Ease and Ability

“A Lot easier than I thought”

“Very Convenient”

“Saves me going out to the shops”

59% of consumers plan to continue new usage of credit/debit/payment app user after pandemic



Meaningfully Different

“Easier than I thought”

“Connecting with people I haven’t seen in a while”

“Saves time on travel”

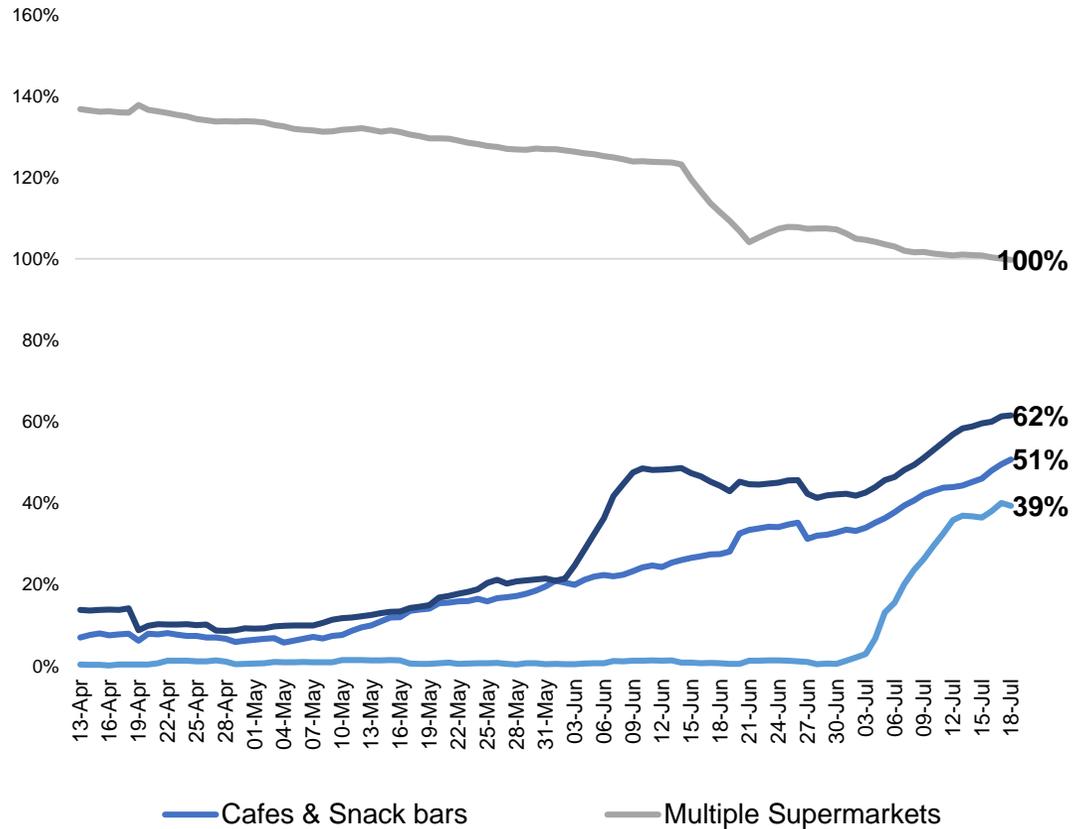


Some habits and expectations that consumers formed during lockdown are likely to remain as consumers recognize the benefits of card payments, reconnecting via zoom and ordering online. On – Trade outlets should seek to implement systems that allow them to benefit from these newly formed consumers behaviours.

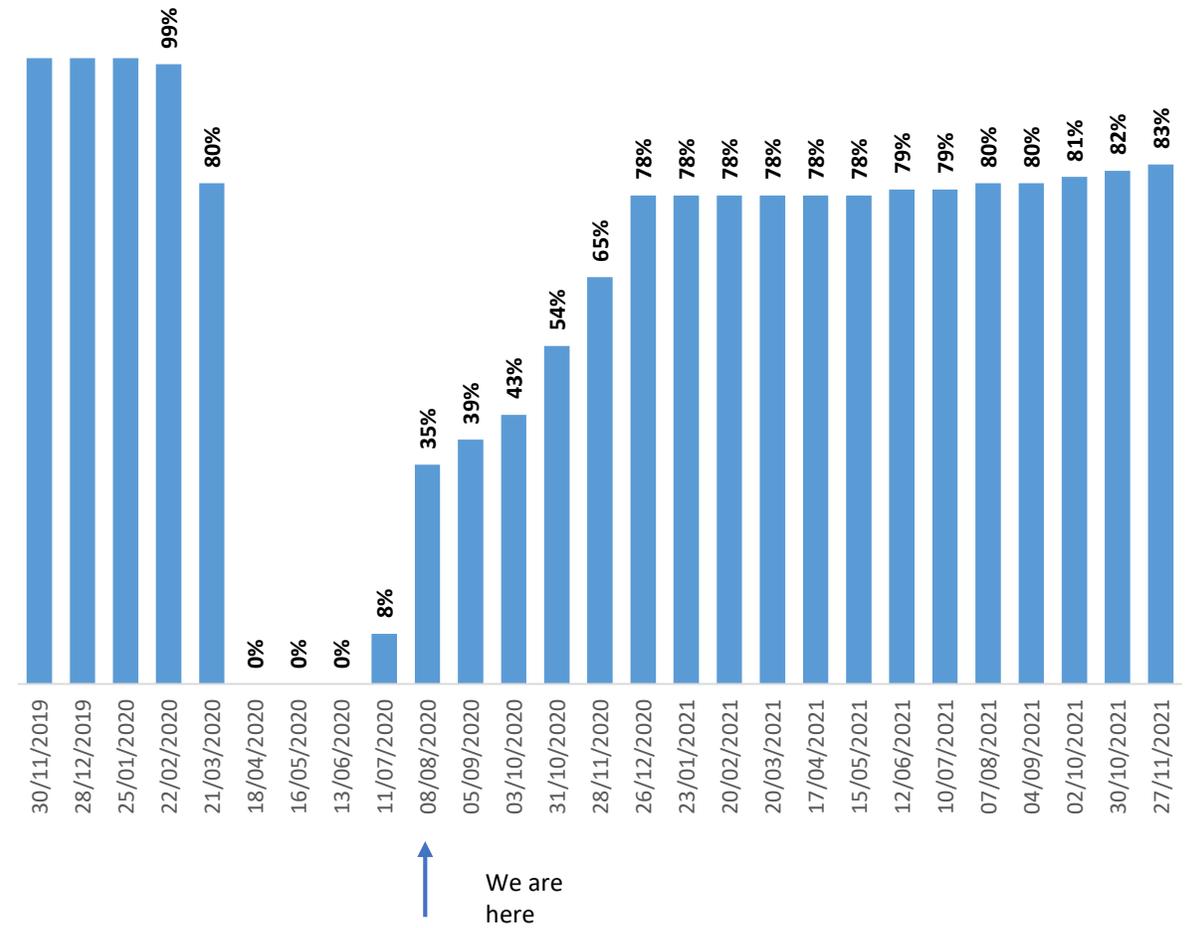
The On-Trade is seeing steady recovery, which is set to continue into 2021.

Source: Kantar Worldpanel Plus, data to 18 Jul 2020; A daily index of shopping trips across every physical channel & major retail brand (food and non food channels); Syndicated report, drawn from of 700,000 receipts collected each week and reported daily to us by 90,000+ panelists; Daily Index: Indexing of shares or footfall vs corresponding day of week in 6 week pre-period ending 23rd Feb OR 7 Day Moving Index again vs 6 week pre-period

Shopper behaviour over Lockdown

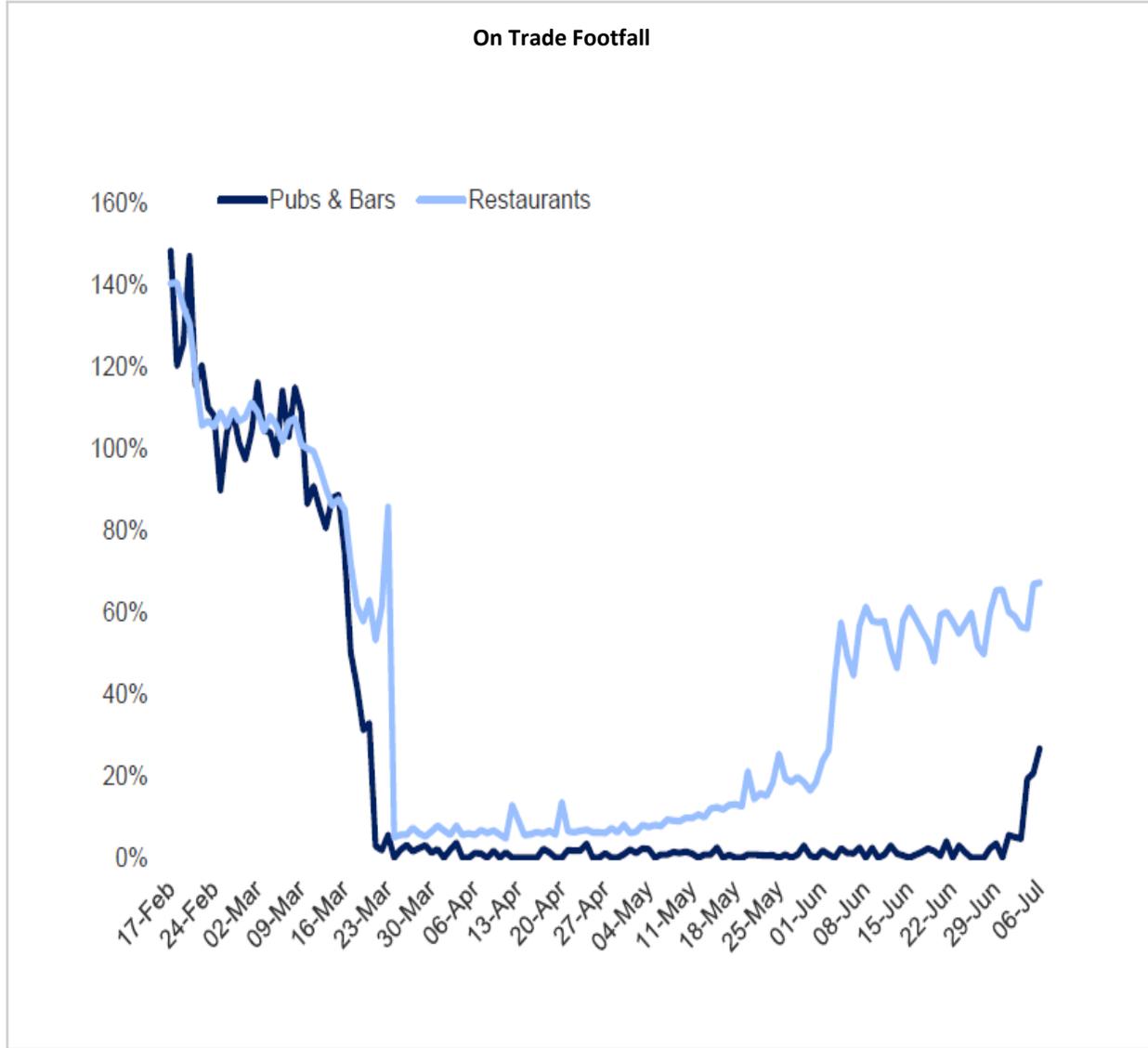


On Trade Forecasts

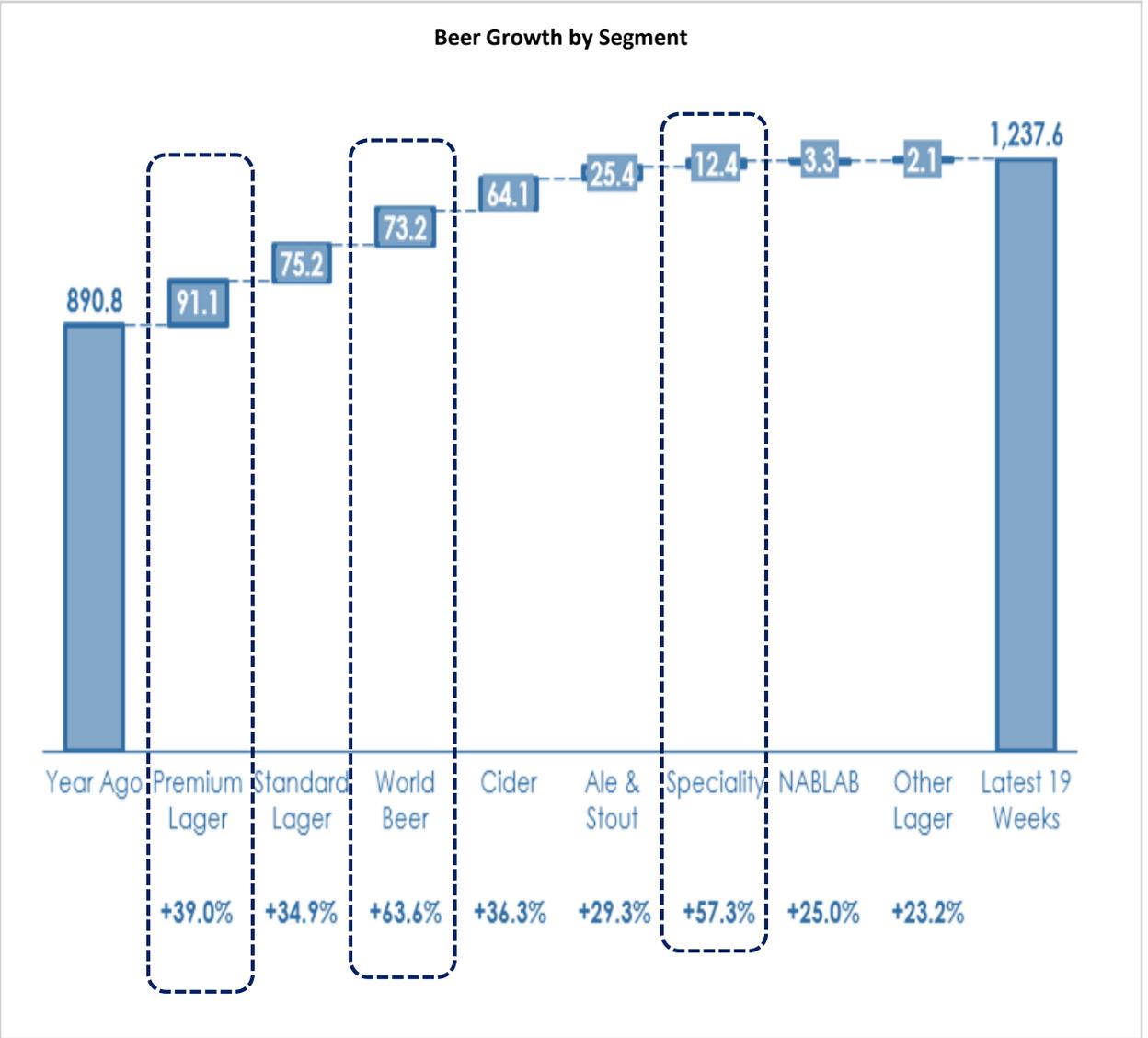


Consumers are still taking fewer trips to supermarkets, bigger baskets continues, but the extremes are gradually slowing, for example monthly trips remain down -81.5m overall average basket now under £20 in the last week. In addition shoppers are visiting 2.8 stores a week, which is gradually increasing. Its is predicted that our current behaviour won't return to 2019 norms until at least mid-Oct (week 42) or until the government guidance changes.

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As lockdown restrictions lifted across the world consumers were happier to visit restaurants as opposed to Pubs and bars, most likely due to safety concerns. However, with restrictions lifting further 4th July, more consumers were happy to visit the pub. To increase footfall and dwell time pubs could seek to offer bar snacks.



Over the course of lockdown consumers have been happy to spend more money on alcohol to treat and reward themselves, and this has been reflected within beer where we continue to see the more premium segments grow ahead of total category.

Consumers are slowing returning to normal behaviours, but some lockdown habits will remain.

1) Beer & Cider driving FMCG growth	2) The pubs are back, but different	3) Consumer cautiousness will continue to play role in 2020	4) The return of the savvy shopper?
<p>2020 has seen two of the biggest months of FMCG value sales ever and Beer has consistently led the way in terms of growth.</p> <p>On-Trade outlets should seek to select a strong mix of beer categories that caters to consumer preferences.</p>	<p>After four months of closure the On Trade has re-opened – consumers are returning and showing preferences for pints when they do! However, with health and safety front of mind, outlets with a clear and well-advertised COVID policy are performing +24% better.</p>	<p>Consumers are still cautious to return to the On Trade due to safety concerns. On-trade outlets will need to ensure the process of purchasing food and drink is a seamless experience for customers to reduce anxiety levels.</p>	<p>Evidence post 2008 recession indicates Beer is a relatively robust category, acting as an affordable luxury for consumers. On-Trade outlets should seek to premiumise their offerings for consumer trading up as they continually see beer as something they can treat themselves with without breaking the bank.</p>