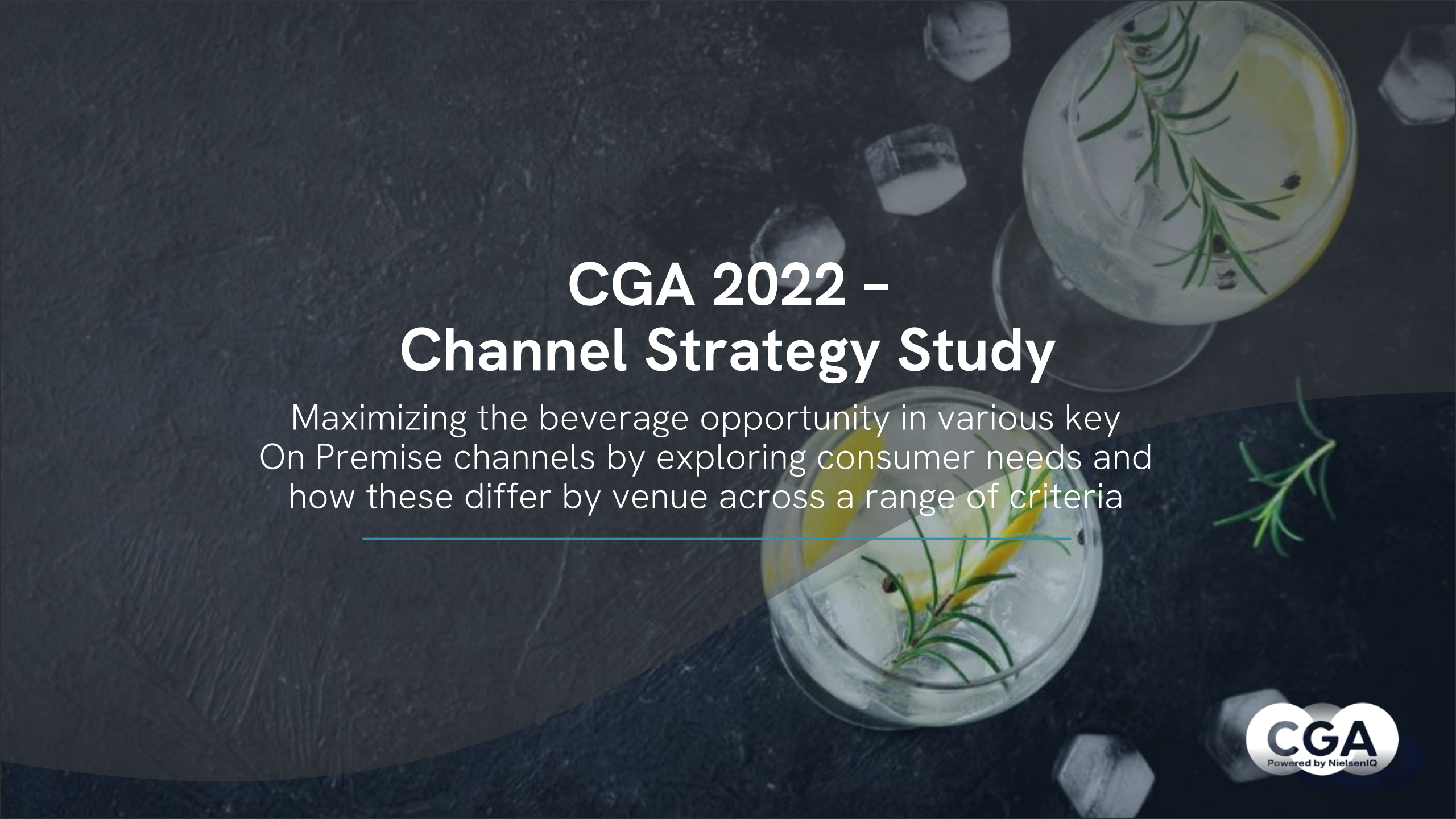




CGA 2022 – Channel Strategy Study

Maximizing the beverage opportunity in various key
On Premise channels by exploring consumer needs and
how these differ by venue across a range of criteria

Channel Strategy Study 2022

Following significant demand and feedback from clients, CGA are launching the Channel Strategy Study for the US for a third time.

The study will follow the effective structure used in 2021 and provide insights and clarity for suppliers on where the opportunity for their brands/categories lie and how they need to tailor tactics to win in specific channels.

KEY MILESTONES:

1. Detailed intro and early commitment opportunity - June 2022
2. Fieldwork - July 2022
3. Reports Available - From August 2022



ESTABLISHING THE MOST VALUABLE CHANNELS FOR YOUR BRANDS & CATEGORIES

As the sector has normalized following disruption caused by COVID-19, suppliers and retailers can look to the future with positivity. Ensuring that strategies are tailored appropriately for different venue types and the patrons they attract is of upmost importance as consumers have shown a strong appetite to engage with the On Premise during 2022.

There are many important On Premise channels for beverage suppliers to consider and it is clearly evident that different channels must have unique marketing and execution plans to maximize success. Our previous research has highlighted that consumer experience is at the heart of all decisions, meaning understanding the motivations of these specific On Premise visitors is essential to building a winning strategy across a range of channels as a consumer embarks on their path to purchase.

By building on the insights gained from our previous channel strategy projects (conducted in 2019 and 2021), this comprehensive research will enable beverage suppliers to plan and organize how to capitalize among consumers throughout the remainder of 2022 and beyond as the On Premise continues to thrive post-COVID.



THE CHANNEL STRATEGY STUDY WILL ENABLE BEVERAGE SUPPLIERS TO...

- Gain a thorough knowledge of the On Premise landscape, uncovering channel nuances
- Understand consumers across a range of different channels including their preferences and behaviors
- Explore the journey of different consumer types and their purchasing habits/preferences
- Identify brand awareness and preferences to maximize the penetration of your brands



Channel Strategy will enrich beverage suppliers with valuable insights enabling development and implementation of impactful marketing and content strategies relevant to each specific channel of interest

WHICH CHANNELS ARE COVERED BY THIS NEW RESEARCH?

The **core** report will help you **understand the opportunities** available across **11 specific channels**. Accompanying individual **deep dive reports** will help you **maximize** possibilities within each channel to **shape tailored strategies** at each channel level:

Casual dining
restaurants

Fine dining
restaurants

Sports Bars

Premium Bars

Experiential
Bars

Nightclubs

Music Venues

Casinos

Arenas / Sports
stadiums

Airlines / Airport
bars

Golf Clubs

WHAT THE PROJECT WILL UNCOVER

This new channel strategy study provides a detailed understanding of important channels which underpin the On Premise sector, allowing for nuanced planning and execution.

Establish which of these **11** channels best align to your brands and categories; where is most effective to invest resources and what are the key consumer preferences and behaviors within each channel to uncover similarities and differences.

The study will provide answers to the key questions:

- ✓ What's the size of the prize in each channel?
- ✓ Where are opportunities consistent and different for specific drink categories by channel?
- ✓ Who are the key consumers for different categories in each channel?
- ✓ Why are consumers making the drink decisions that they do - what do brands need to do to capitalize on an individual's path to purchase?
- ✓ What factors are important to the channel experience for visitors?
- ✓ What are the key occasions your brands need to focus on to establish what is driving visitation to a channel and how to align to these?





Channel Strategy Core Report

Part 1 – The Core Report designed for Channel Strategy Development

The report provided will give a comprehensive overview of different channels that formulate the wider On Premise to enable Channel/Category Strategy and Insight teams to understand what consumer profiles are most prevalent in each channel, which channels are most important/valuable for their brands and, ultimately, which channels resource and planning should be focused on

Quantifying the size of the prize?

- What is the share of visits to the On Premise overall that different channels account for?
- How often do consumers visit each specific channel?
- Understand how valuable each channel is using average check spend information at a typical outlet (via our proprietary check level BeverageTrak data set)

This will establish which channels provide the most promising sales opportunities and avenues for growth to match your portfolio of brands

What does the target consumer for each channel look like?

- What are the key characteristics of consumers for each channel in demographic areas, as well as how they align and differ attitudinally in relation to experimentation, brand loyalty, receptiveness to premium offerings, etc. ?
- What occasions are consumers most commonly visiting a specific channel for and what drink categories are consumed during these visits?
- What are the most important elements of a drinks offer that consumers are looking for in each channel?

This will establish which channels provide the best opportunity for targeting consumers for specific brands/products



Channel Specific Deep Dives

Part 2 - Channel deep dives to facilitate building specific strategies

Once the most important channels for your brand portfolio has been identified, the second set of deliverables will enable Brand, Marketing and CP&A teams to explore the detail within a specific channel to further refine strategies.

Each low cost, channel report will give granular insights into each channels' key dynamics to inform strategy and planning, uncovering how to position your brands most effectively against competitors. This can be done by exploring:

What is driving visitation?

- This will be tailored to specific channel specific scenarios. For example:
- How important is the range of options available to stadium / arena visitors or local brand availability in independently owned restaurants? How important is drinks quality, promotions, word of mouth or previous experience in driving visitation?

What are consumers drinking within a specific channel?

- How do different drink categories perform relative to one another? Within a category, what sub-category proves most popular? What serve preferences do consumers have across a range of categories? How can emerging categories capitalize on specific channels?
- What dayparts are key? Which categories and types of drink do better during different times of day? How valuable is happy hour? Is the naming of brands important in specific cocktails or mixer drinks? On average, how many drinks are being consumed in the channel per visit? How prevalent is category switching?

What is important to the overall channel experience for consumers?

- What elements create the ideal experience for someone in that channel - promotions, clear menus, presentation of food/drinks, premium drink options?

How are drink choices made?

- Are high quality ingredients influential, is food pairing key, is the brand/drink's origin important, do recommendations have a role?

Brand penetration

- How popular are your brands in a channel relative to your competitors?

This will establish the opportunities available for your brands and how to most effectively market new and existing offerings within specific channels

INVESTMENT

PRE-COMMITMENT PARTNERSHIP PACKAGE

\$16,500 for the core report
+ 1 channel deep dive

OR

\$63,000 for the core report and
all 11 channel deep dives

STANDARD PACKAGE

\$19,00 for the Core Report
+ 1 channel deep dive

\$70,000 for the core report and
all 11 channel deep dives

Additional channel deep dives -
\$7,700 each

What else do you need to know?

METHODOLOGY:

- + Online quantitative survey
- + Focusing on 11 specific On Premise channels
- + 7,500 consumers who plan on visiting the On Premise in the next 3 months (ensuring a robust base of respondents for all channels explored)
- + Check level (CLiP) data will be used to showcase the velocity of beer, wine and spirits for the last 12 weeks for various channels
- + TD Link - the number of US outlets as of June 2022 will also be included

FIELDWORK & OUTPUTS:

- + The survey will field during July
- + Core report to be available in August
- + 11 individual channel deep-dive reports will be delivered across August and September
- + Option to unlock full data set in Distilr 360