How COVID-19 has changed an essential industry:

Whatever the future holds, there are reasons to be positive and hopeful.

Here’s what the research firm Datassential says about the future of beverage.

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A Napa Valley classic.
An American icon.
I was in a local brewery in March when our governor appeared on the televisions behind the bar. We all got quiet and watched as he announced the official “stay-at-home” order. There had been rumors that it was coming – California had just announced their own order – but we still weren’t sure exactly what it meant. We worried if the brewery we were at, which had just opened and was just starting to gain a following, would be able to survive. We wondered if takeout was allowed. Would garbage still be picked up? What about mail?

Luckily, as we pulled up articles on our phones that spelled out what the order meant, we found at least one ray of sunshine, liquor stores were deemed essential and would stay open. And then even more good news, restaurants and bars could also begin selling unopened bottles or cans of alcohol for takeout and delivery.

Many joked about it at the time – quarantinis for breakfast, LOL! But in fact, these past few months have shown us that beer, wine, and spirits are essential – they are a central part of our food culture and have been a source of normalcy in these very abnormal times. They complete a meal, help us relax at the end of a stressful day, and they allow us to say “cheers” together and stay connected (even if it’s over Zoom). We’re also discovering that our local bars, distilleries, breweries, and wineries are central parts of our community. They’re hosting tastings for us (again, over Zoom),
making special deliveries (sometimes by dog or ice cream truck), and almost single-handedly keeping this country stocked with sanitizer.

And now, as businesses start to open again, we’re wondering if this goodwill will continue after the crisis is over. We’re also thinking about how the beverage business will be changed by COVID-19, both in the short-term and permanently. What does the future look like?

To try to make some sense of the consumer and operator mindset, Datassential has been fielding multiple research studies weekly and releasing them for free to the industry. With events changing on a daily and even hourly basis, the industry has had to make decisions on the fly, often with little to no hard data on what consumers want, what’s working, what’s not working, etc. We’re hoping this information not only helps the industry survive but thrive again when the crisis is over. We can also use the data to help us make some predictions about what the future may look like. Let’s take a look at what the research tells us.

What Reopening Looks Like

Tables spaced apart and seats roped off, barriers between booths, public-facing sanitization efforts, limited menus, disposable menus and serving ware, shorter dining times, limited party sizes – for the time being, this is what a foodservice location looks like after it reopens. You almost can’t go overboard when it comes to safety tactics, and diners are generally appreciative of these efforts. For instance, a whopping 85% of consumers said they support...
restaurants requiring 6 feet of social distancing, while over 80% supported requiring customers to sanitize their hands and requiring customers at a bar to have a seat.

In fact, the vast majority of consumers aren’t worried about the operator being safe; rather, they’re concerned about their fellow customers. According to our data, 72% of consumers say they don’t trust others to act safely once businesses reopen, the top-scoring concern. That’s why it’s so important for businesses to explain and enforce their rules – this is brand new for everyone and every business is slightly different, so we really have to spell it out for guests. Train and empower your staff to convey authority. Don’t send a single email and call it a day, remember when we were all inundated with emails on safety practices when shelter-in-place orders were first enacted? Use social media, websites, and signage to explain the efforts you are taking and the policies you have put into place. Remove as many touchpoints as possible, clean your location(s) from top to bottom, and make sure every staff member knows that they should be constantly cleaning and wiping down surfaces.

At the end of the day guests are worried about their own health and the health of their friends and family members. To make them feel safe, our industry needs to convey, as much as we possibly can, that we’ve got this.

Consumers Want Comforting Classics – For Now

When shelter-in-place orders were first enacted across the country, we asked consumers what foods they wanted most. The answer wasn’t surprising, they wanted pizza, which has long been America’s favorite food.
Everyone was turning to comforting classics at a time when the world was scary and uncertain.

Now, as states are starting to lift restrictions, are consumers still looking for the same things? While pizza still scores high, now they are craving Mexican food above all others, followed by seafood and Asian foods. It’s clear that they are branching out again and looking for more global, exciting flavors, as well as options that they can’t get from delivery or aren’t making at home.

With consumers craving Mexican food, one cocktail you can’t go wrong with is the margarita. As we noted in last December’s issue of in the Mix, spicy margaritas were the fastest-growing cocktails on menus in 2019. They’re so popular that when Alinea here in Chicago began selling them as a takeout option in March, they sold $5,600 worth on the first day alone, allowing them to hire back some of their staff.

There Is Pent-Up Demand For Bars And Other Full-Service Concepts

As of April 30, 94% of all restaurant traffic in the U.S. was for options outside the dining room, with customers either picking up/carrying out or ordering delivery. The majority of that traffic has been at limited-service restaurants (LSRs), like quick-service /fast food and fast casuals. In fact, LSRs have captured about two-thirds of all restaurant traffic throughout the pandemic.

Which means consumers are now craving that full-service restaurant (FSR) experience again. They want to be waited on again and go to the bar and have a bartender make them their favorite drink. We
asked consumers which food and drink operations they were most excited to get back to and the top choice was their “favorite sit-down restaurant.” As one respondent told us, “I miss eating at restaurants with friends and family, and not ordering takeout for pizza or grinders.”

Consumers also told us that the emotional benefit they are most looking forward to getting from eating out again is “relaxation,” which scored higher than emotions like “joy” and “indulgence.” The beverage industry is uniquely suited to help consumers relax, feel more normal, and less stressed.

Of course, even if they wanted to, consumers won’t be able to pack into restaurants and other operations immediately. There will be a unique transition period as businesses reopen under limited occupancy guidelines, which means delivery and takeout will still be essential. In fact, options like takeout, delivery, and many of the “pivots” that FSRs adopted in the last few months will become permanent parts of the dining landscape. If you offered new options that were particularly popular or you are hearing that customers are enjoying that new grocery section in a local restaurant or hotel, consider making it a standard.

**The Impacts On Laws And Regulations**

Speaking of making things permanent, a few weeks ago I was speaking to a chef and asked her if there is anything from these past few weeks that she hopes will become permanent. She said the number one option she’d like to see

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**Restaurants will be a light in the darkness.**

Familiar comforts will help consumers unwind when they return to their favorite establishments. For many, dining out will provide a well-needed boost once things move more toward a state of normalcy, so operators and their team members can focus service on eliciting relaxation, joy, satisfaction, and a sense of indulgence — all while maintaining cues about the safety of the environment in the dining room.
continue is allowing operators a wider latitude in how they sell alcohol, such as allowing them to continue offering cocktail kits, beer, and wine for takeout and delivery.

As delivery only continues to grow, and with alcohol making up such a large percentage of sales for many operators, it's going to be hard for many of them to go back to the way things were. And operators will need as much help as they can get for the foreseeable future – bouncing back is going to take years. “I wish we could keep this license forever,” Gina Chersevani, owner of Buffalo & Bergen in Washington, D.C., told Eater.

The cannabis industry, which has often overlapped with the spirits industry, is also expecting laws to change. With dispensaries also deemed essential in many states and governments in need of revenue during a downturn, national legalization could arrive even faster than previously expected.

What The Future Holds

Whatever the future holds, there are reasons to be positive and hopeful. As we've seen, this is one of the most creative industries on earth, filled with people who want to help each other succeed. There will be surprises, struggles, and setbacks ahead, but we'll get through it together. It's not just those inside the industry that want it to succeed, either – our guests want us to succeed. In fact, when we asked consumers what will cause them to spend more when social distancing guidelines are relaxed, the number one option they chose was that they wanted “to help restaurants and the economy recover,” which scored a full ten points higher than wanting to socialize again.

So, we'll figure it out. For now, we'll cheers over Zoom, but at some point, in the future, we'll hear that satisfying “clink” of our glasses as we cheers in person again.
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