

Practical guide to re-opening

May 2020



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Key Focus Areas

- Context
 - Covid-19 lockdown
- Countdown to re-opening
 - Step by step approach to ensure you're ready to pour
- Ranging advice
 - Top tips for choosing a winning range for re-opening
 - Other things to consider to ensure you're set up for success



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Context

- Pubs across the UK have been closed since being ordered to shut on Friday 20th March 2020
- Pubs are one of the most missed parts of life under lockdown and have long been a central part of British life
- We're longing to get back to normal, but concerns around safety and the spread of the virus abound
- Right now, pub owners and operators are facing a huge number of questions and challenges, including understanding when pubs are likely to be allowed to re-open
- Looking ahead to when restrictions are lifted, being aware of the practical steps needed for successful re-opening is critical



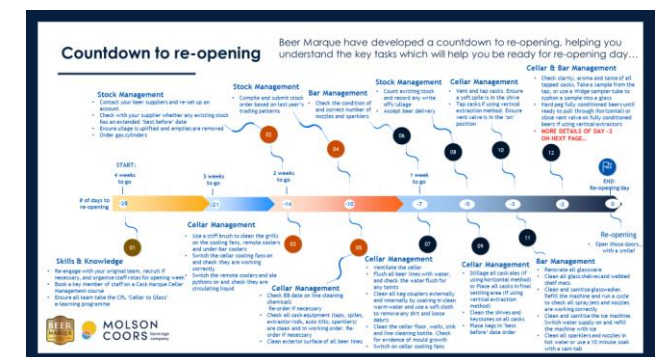
Beer Marque & Molson Coors can help you with practical advice, ensuring you're ready to pour on re-opening day with a winning Beer & Cider range



Countdown to re-opening

Countdown to re-opening

- We understand that there's many things to consider when it comes to planning your re-opening
- At Beer Marque, we've developed a step by step approach to help ensure that you're ready to pour on re-opening day
- We'll now take you through the countdown to re-opening, so that you can plan ahead for a successful re-opening, covering:
 - **Skills & knowledge**
 - **Stock management**
 - **Cellar management**
 - **Bar management**



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Why are these stages important?

- **Skills & Knowledge**
 - Knowledgeable and passionate staff make all the difference when it comes to delivering a great quality experience for customers. Investing in this area helps staff motivation and staff retention
- **Stock Management**
 - Having the right range is critical to attracting and retaining guests. Re-opening is an opportunity to re-calibrate your range and ensure you're maximising yield and minimising wastage
- **Cellar Management**
 - Focussing on good cellar management disciplines is critical to delivering great beer and cider quality. Time invested here is time well spent for enhancing the reputation of your business
- **Bar Management**
 - This is the frontline, it's what your guests see. You will never get a second chance to make a first impression!

Communication is key at every stage



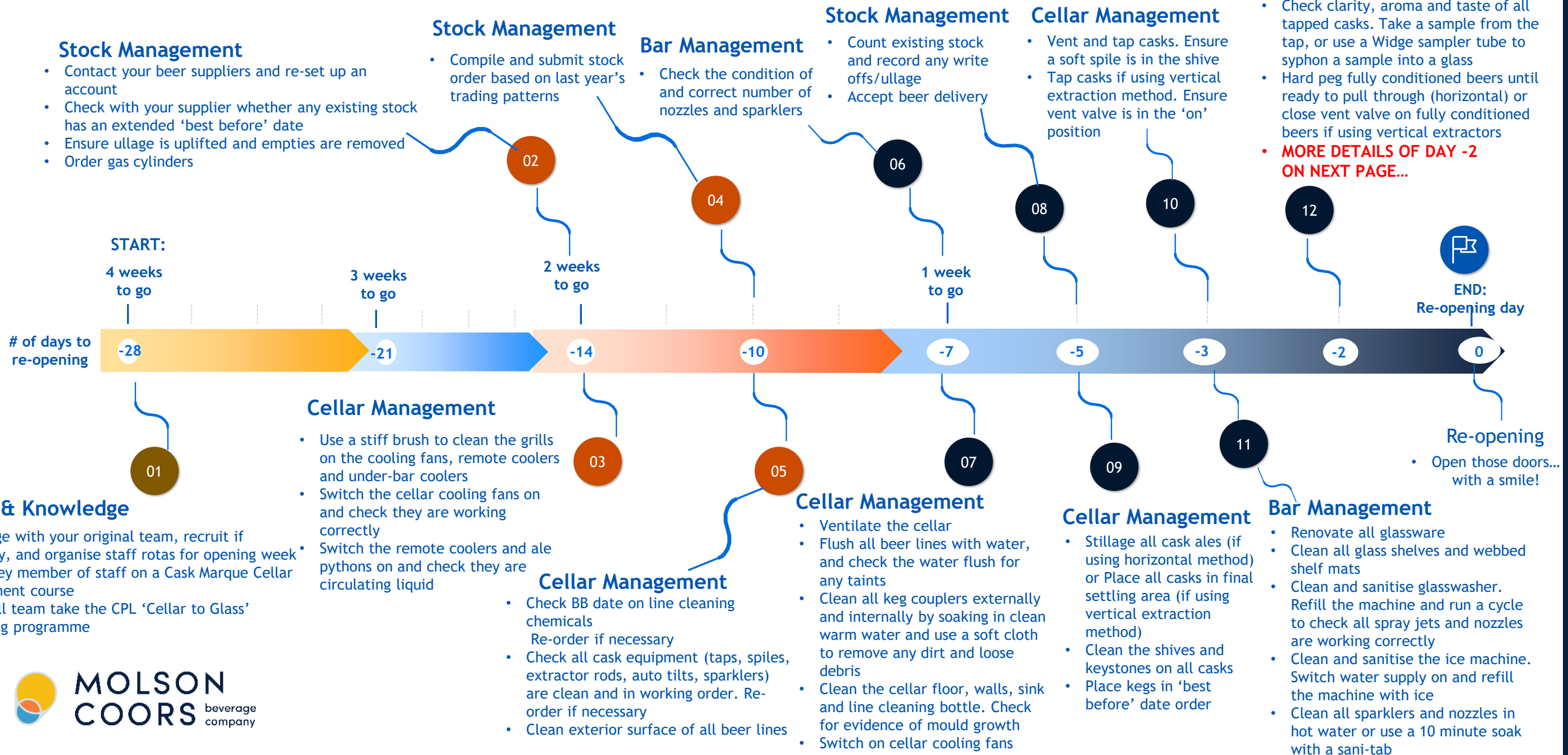
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Countdown to re-opening

Beer Marque have developed a countdown to re-opening, helping you understand the key tasks which will help you be ready for re-opening day...

Cellar & Bar Management

- Check clarity, aroma and taste of all tapped casks. Take a sample from the tap, or use a Widge sampler tube to syphon a sample into a glass
- Hard peg fully conditioned beers until ready to pull through (horizontal) or close vent valve on fully conditioned beers if using vertical extractors
- **MORE DETAILS OF DAY -2 ON NEXT PAGE...**



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Countdown to re-opening – last 7 days...

Bar Management

- Check the condition of and correct number of nozzles and sparklers

Stock Management

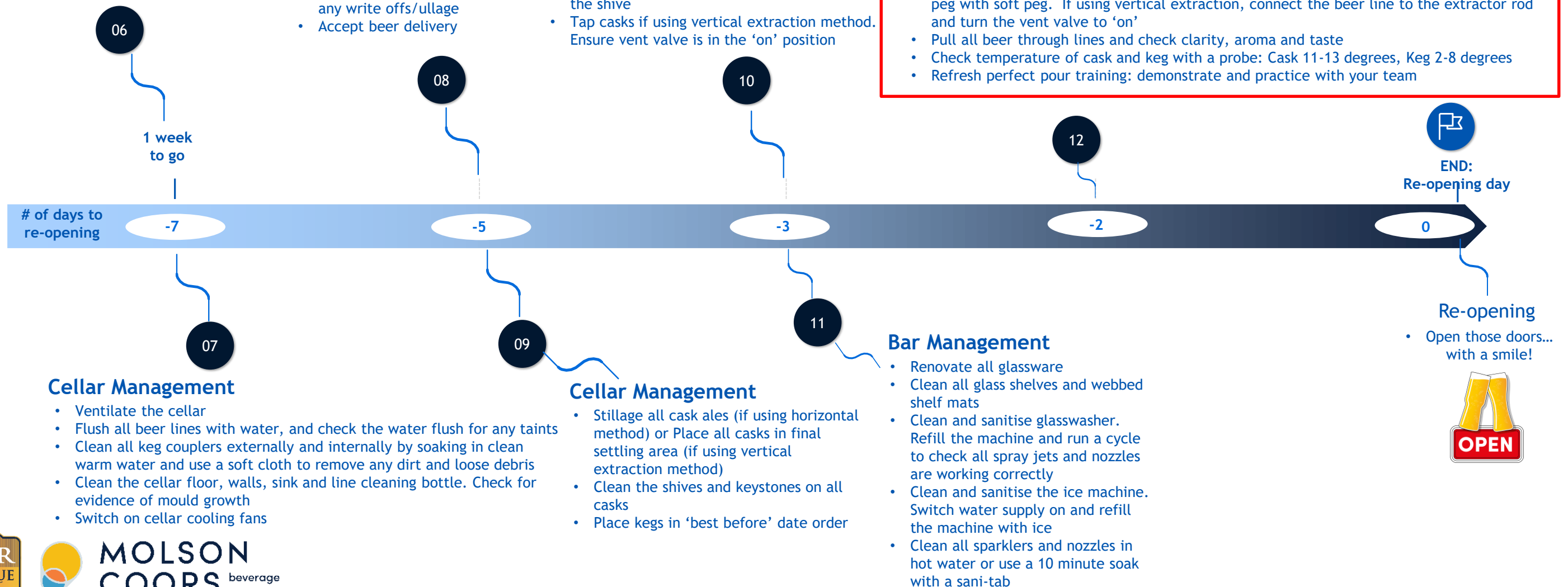
- Count existing stock and record any write offs/ullage
- Accept beer delivery

Cellar Management

- Vent and tap casks. Ensure a soft spile is in the shive
- Tap casks if using vertical extraction method. Ensure vent valve is in the 'on' position

Cellar & Bar Management: DAY -2

- Check clarity, aroma and taste of all tapped casks. Take a sample from the tap, or use a Widge sampler tube to syphon a sample into a glass
- Hard peg fully conditioned beers until ready to pull through (horizontal) or close vent valve on fully conditioned beers if using vertical extractors
- Switch on and refill bottle coolers
- Connect up gas bottles and turn on
- Clean all beer lines (cask and keg) with a reputable line cleaning solution
- Connect all kegs up and bleed fob detectors
- Ensure a hop filter is fitted in the end of each cask line, connect up casks, and replace hard peg with soft peg. If using vertical extraction, connect the beer line to the extractor rod and turn the vent valve to 'on'
- Pull all beer through lines and check clarity, aroma and taste
- Check temperature of cask and keg with a probe: Cask 11-13 degrees, Keg 2-8 degrees
- Refresh perfect pour training: demonstrate and practice with your team



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Ranging advice

Ranging advice for re-opening*

- Consumers are understandably cautious and data from CGA Brand Track suggests that it will take time to re-build confidence after lockdown
- Our expectation on re-opening is that trade will be lower than normal, a significant percentage below pre-lockdown levels
- Communicating your re-opening plans and demonstrating how you plan to make the environment safe and enjoyable is likely to make a big difference reassuring your customers and driving footfall
- However, it makes sense to plan for re-opening on the basis of lower than normal trade, whilst also taking time to understand the market dynamics (e.g. importance of different sectors)

**Only
22% of GB Adults
are comfortable
eating/drinking out**
in any sector as soon as
restrictions are lifted**

**33% of consumers
predict their visit
frequency will
decrease**
in the first 6 months after
lockdown, compared to
pre Covid-19**



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* Re-opening remains unconfirmed in terms of both timing and phasing
**Source: CGA BrandTrack April 2020 – COVID 19

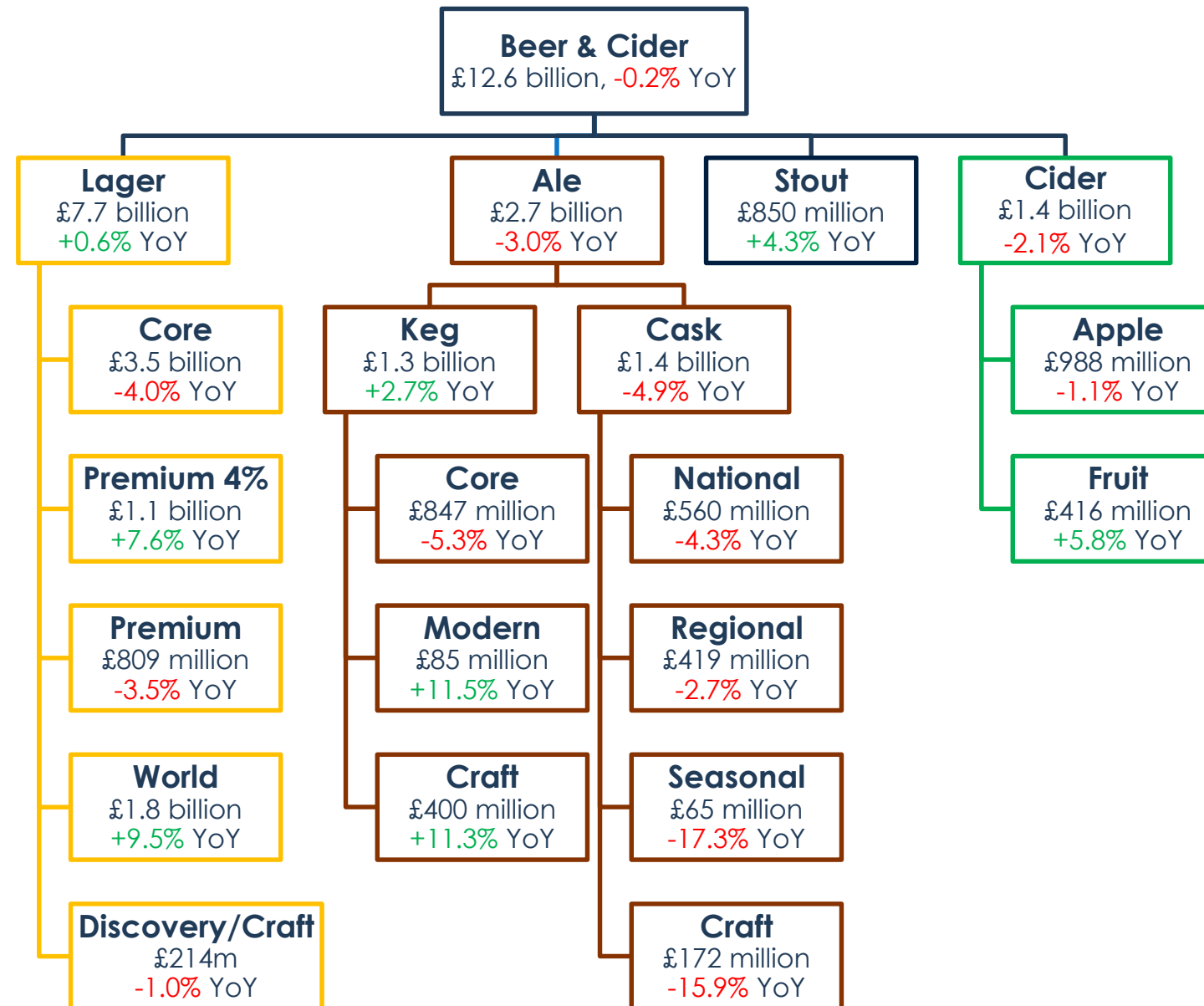
Details correct at time of writing, 12/5/20

GB On Trade Draught Beer & Cider Snapshot

Draught Beer & Cider is worth £12.6 billion in the On Trade, down 0.2% year on year.

Getting your Lager range right is critical – it's the largest sector of the Draught Beer & Cider category with a 61% share.

A winning Lager range will have the right mix of brands from across the different sectors – Core delivers nearly half of all sales, whilst Premium 4% & World are seeing significant growth.



Ale is the 2nd biggest sector of the Draught Beer & Cider category, split relatively evenly between Keg and Cask formats. Newer Modern Keg & Craft Keg sectors are the ones that are in growth whilst traditional Core Keg and National Cask brands remain the mainstay of the category, delivering around half of sales.

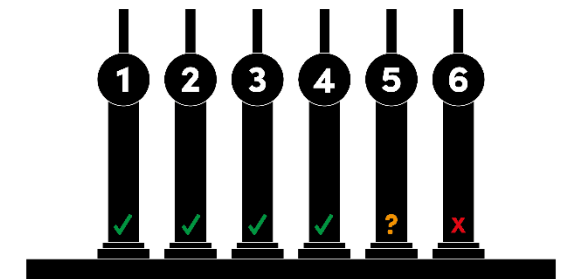
Stout is a mainstay on the bar and one brand delivers 98% of the £850 million On Trade sales....you guessed it, Guinness!

Apple Cider is a mainstay on the bar and delivers 70% of all Draught Cider sales. However, Fruit has been growing strongly in recent years. We'd recommend stocking a draught apple cider first and adding a fruit cider dependant on demand.

Ranging advice...

Top Tips for choosing a successful Draught Beer & Cider Range:

1. Match range size to available throughputs



2. Ensure you have the right balance across your range

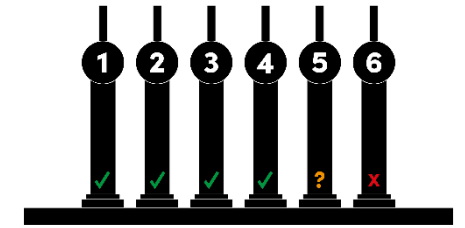


3. Back the most popular brands which have broad appeal



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1. Match range size to available throughputs

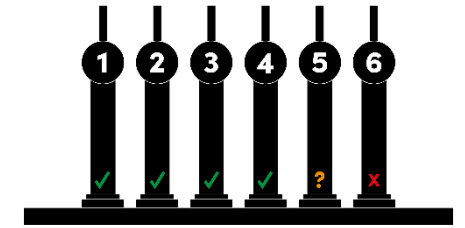


- Choosing the right number of draught beer & cider brands to stock is a critical part of ensuring great quality. Too many brands on the bar means beer & cider is on sale for too long, which ultimately means higher wastage, reduced margins and/or lower quality for your guests
- You should aim to be selling a **minimum of 1 x keg per week for all draught keg beers & ciders**, whilst for **Cask Ales**, the live & fresh nature of the product means that they should be on sale for a **maximum of 3 days** – if you're selling firkins, this means your rate of sale needs to be 24+ pints per day for every cask brand on the bar
- Since it's expected that **trade will be lower than normal at the point of re-opening**, you should **adjust your range size accordingly**



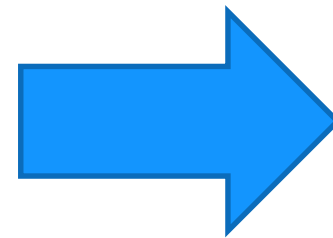
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1. Match range size to available throughputs...



Example 1: average pub doing 150 to 200 barrels per year; 90% keg, 10% cask

'Normal' trade



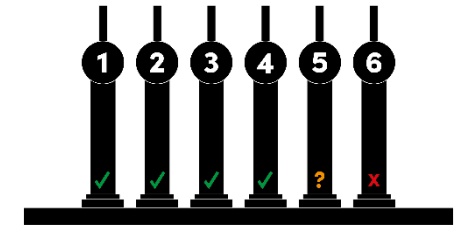
'50% trade' – operating as a 75-100 barrel account



With lower throughputs, a reduced range is recommended. In this example, the number of Lager taps is reduced by 1, the number of Cider taps is reduced by 1 and no Cask Ale is stocked due to there being insufficient throughputs to guarantee great beer quality.

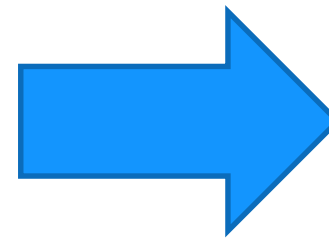
N.B. Cask Ale could be viable for weekends only/busier periods.

1. Match range size to available throughputs...



Example 2: large pub doing 350 to 400 barrels per year; 90% keg, 10% cask

'50% trade' – operating as a 75-100 barrel account



With lower throughputs, a reduced range is recommended. In this example, the number of Lager taps is reduced by 2, whilst the throughputs are deemed sufficient to keep other sectors unchanged. Knowledge of your own business will help guide you.



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2. Ensure you have the right balance across your range

ENERGISE



ENSURE HEALTHY
BEER & CIDER
SALES BY EXCITING
DRINKERS ABOUT
THEIR FAVOURITE
TRUSTED BRANDS

PREMIUMISE



CONVERT EXISTING
DRINKERS INTO
MORE PREMIUM
AREAS OF LAGER,
ALES AND CIDER

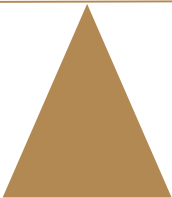
INSPIRE



CREATE MORE INTEREST
IN BEER AND CIDER BY
HELPING DRINKERS
EXPLORE DIFFERENT
PRODUCTS
AND FLAVOURS

WE BELIEVE BALANCING THESE FOCUS AREAS

IS THE KEY TO DELIVERING SUSTAINABLE GROWTH



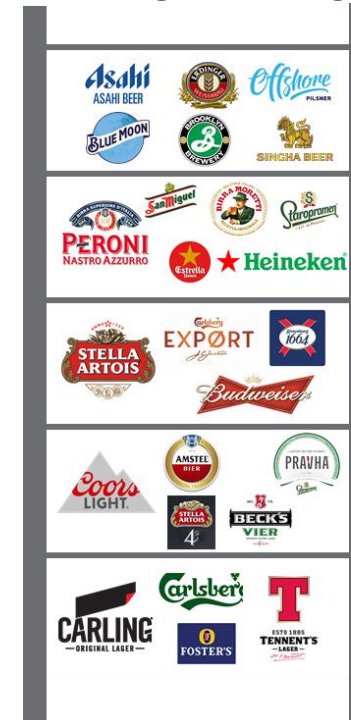
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2. Ensure you have the right balance across your range...

The 3 x key focus areas of Energise, Premiumise & Inspire can be seen across the different sectors of the Draught Beer & Cider category:

- **Energise** – the everyday, familiar favourite brands which are the “go-to” for most drinkers e.g. core mainstream lager brands like Carling, Foster's & Carlsberg and core keg ales like John Smith's & Worthington's
- **Premiumise** – more premium options which appeal to drinkers looking to trade up e.g. World Beer brands like Peroni & San Miguel and super-premium cider brands like Aspall
- **Inspire** – brands which offer something interesting and different, meeting the needs of drinkers who want to try something new e.g. craft beer and/or locally produced beers from smaller breweries. An interesting and varied packaged range can be a great way to meet this need, enabling the draught range to be focussed on the best sellers

Lager category roles



INSPIRE

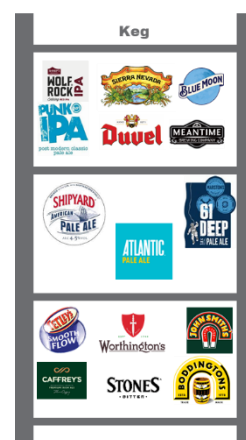


PREMIUMISE



ENERGISE

Keg Ale category roles



INSPIRE



PREMIUMISE



ENERGISE

Cask Ale category roles



INSPIRE



PREMIUMISE



ENERGISE

Cider category roles



INSPIRE



PREMIUMISE



ENERGISE Details correct at time of writing, 12/5/20



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3. Back the most popular brands which have broad appeal



Top 20 Draught Beer & Cider Brands by Value

Rank	Brand	Category	Sector	Sales £m	Growth/Decline
1	Carling	Lager	Core	£1,628	↓
2	Fosters	Lager	Core	£1,017	↓↓↓
3	Guinness	Stout	Stout	£830	↑↑↑
4	Carlsberg Danish Pilsner	Lager	Core	£523	↑
5	Stella Artois	Lager	Premium	£473	↑
6	Peroni Nastro Azzurro	Lager	World	£431	↑
7	Coors Light	Lager	Premium 4%	£426	↑↑↑
8	John Smiths Extra Smooth	Keg Ale	Core	£411	↓
9	Amstel	Lager	Premium 4%	£399	↑↑↑
10	San Miguel	Lager	World	£359	↑
11	Strongbow	Cider	Core Apple	£311	↓↓↓
12	Tennents Lager	Lager	Core	£307	↓
13	Strongbow Dark Fruit	Cider	Core Fruit	£287	↓↓↓
14	Birra Moretti	Lager	World	£286	↑↑↑
15	Heineken Premium	Lager	World	£241	↓
16	Kronenbourg 1664	Lager	Premium	£212	↓↓↓
17	Thatchers Gold	Cider	Core Plus Apple	£183	↓
18	Estrella Damm	Lager	World	£145	↑↑
19	Sharp's Doom Bar	Cask Ale	National	£132	↓↓↓
20	Hop House 13	Lager	World	£112	↓

- The Top 20 Draught Beer & Cider brands are worth £8.7 billion, delivering 69% of all Draught Beer & Cider sales value in the On Trade – choosing leading brands from this list is a great way to ensure you have brands which will have broad appeal
- #1 brands for the key “Energise” and “Premiumise” sectors are as follows:
 - Core Lager: Carling
 - Premium 4% Lager: Coors Light
 - Premium Lager: Stella Artois
 - World Lager: Peroni
 - Cask Ale: Sharp's Doom Bar
 - Core Keg Ale: John Smith's
 - Stout: Guinness
 - Core Apple Cider: Strongbow Original
 - Core Fruit Cider: Strongbow Dark Fruit

KEY	
↑	0-5% growth
↑↑	5.1-9.9% growth
↑↑↑	10%+ growth
↓	0-5% decline
↓↓	5.1-9.9% decline
↓↓↓	10%+ decline



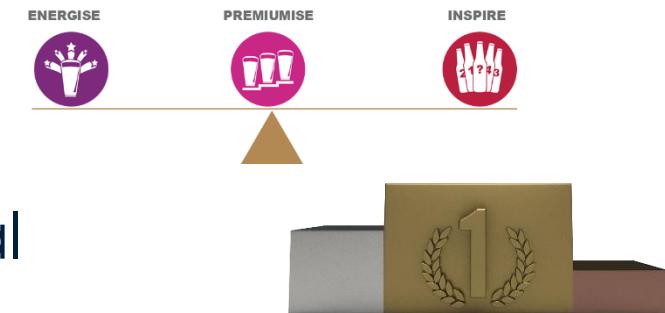
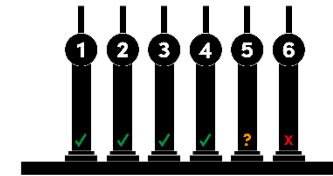
Source: CGA data for Total GB On Trade, 52 weeks ending 21/3/20.
Top 20 Draught Beer & Cider SKU's by Sales Value.

Details correct at time of writing, 12/5/20

Ranging advice summary & other things to consider...

Ranging advice summary:

1. Match range size to available throughputs
2. Ensure you have the right balance across your range
3. Back the most popular brands which have broad appeal



Other things to consider:

- How to implement social distancing measures in your outlet(s) and reassure customers about hygiene procedures
- Engaging with your customers and local community on social media – top tips here: <https://www.molsoncoors.com/InYourCorner/digital-bytes-help>



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Following our simple advice will help set your outlet(s) up for success:



Better quality



Reduced wastage



Improved margin



Customer retention



Increased footfall



Beer Marque and Molson Coors are here to help you with insight & advice as we progress towards re-opening



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