

March 30, 2020

## On-Premise in Crisis

Dear Client:

If you've seen the movie "A Quiet Place" – a film about a dystopian future where haunting creatures come and snatch humans up at the slightest peep – you may have caught yourself in the moments after the credits roll behaving like you too were in this horrifying setting, in which all noise was forbidden – you seal your lips, gingerly get up from your seat and tip-toe around, until your brain finally snaps back to reality and tells you 'hey, we're all good, just a movie.'

If a fictional hour-and-a-half film can have that type of effect on the human psyche even for a short duration, what type of effect do you think weeks of self-quarantining will have on the human mind once this real-life crisis is over?

Some are coming to grips with the notion that it could be a sweet while before things return back to normal in the on-premise, or any premise.

Indeed, Rabobank's senior analyst for beverages, Jim Watson, shared on a Beer Institute conference call this past Friday that he believes the recovery in the on-premise will be more like a "stair-step pattern" than a "V-shape bounce back."

### **WHY CLOSE? BARS/RESTAURANTS DOWN 85%.**

Why are they closing? As BeerBoard founder Mark Young told BBD in a vid podcast interview on Friday, these takeaway food and bev alc sales are barely putting a dent in the losses they're seeing absent ability to run their regular operations. Right now BeerBoard says their some 3,000 bar/restaurant clients of all sizes are seeing about an 85% drop. More tomorrow from Mark.