

# Tracking Drink Trends

**H**ow's the beverage business performed on-premise recently? The answer to that question depends on where you are and how far back you look.

For instance, total beverage alcohol sales in the first three months of 2010 declined 9.7 percent from quarter four 2009 levels; an improvement compared to the 13.0 percent drop during quarter one 2009 in six major metro markets: Atlanta, Chicago, Los Angeles, Miami, New York and Washington, D.C. That 2010 quarter one decline reported by GuestMetrics, the Leesburg, Va.-based firm that tracks on-premise spirits, wine and beer sales via operator point-of-sale data, was less severe when compared to the last quarter of 2009, which saw total on-premise alcohol sales down 21.4 percent, suggesting we may have reached the bottom of the recessionary trough and are beginning to head to the surface.

Recently, there are green shoots creating optimism, according to Tammy Posten, COO of GuestMetrics. Markets like Miami are surging, and in some outlets, specifically bars in the Washington, D.C., area, spirits are showing surprising strength.

"Miami always makes a strong effort supporting promotions, and it is a market that even in the recession has held up better than many others," she says.

As might be expected, the fine dining segment continued to take the biggest hit, with beverage alcohol sales down 17.5 percent compared to the final quarter of 2009.

GuestMetrics gathered its findings from 2,800 full-service food and beverage establishments representing 120 million guest checks and totaling \$4.15 billion in total sales (including food). The report finds beverage alcohol sales in bars declined just 4.8 percent compared to the last quarter in 2009, but declined 15.1 percent compared to the first

## Bars, Restaurants and Nightclubs Got Hit Hard in Q1— Has the Industry Begun its Rebound?

By Jack Robertiello

### Beverage Alcohol Sales Trends: On-Premise Q4 2009 vs. Q1 2010 Sales Growth

	NY	DC	ATL	MIA	CHI	LA	NATIONAL
<b>Total Bev Al</b>	<b>-19.6%</b>	<b>-7.9%</b>	<b>-7.8%</b>	<b>10.3%</b>	<b>-18.1%</b>	<b>-13.7%</b>	<b>-9.7%</b>
Bar	-20.0%	6.9%	-8.4%	16.0%	-15.6%	-4.4%	-4.8%
Casual Dining	-10.6%	-5.9%	-9.3%	5.8%	-10.0%	-8.0%	-6.8%
Fine Dining	-27.4%	-12.3%	-1.6%	6.8%	-29.5%	-25.7%	-17.5%
<b>Spirits</b>	<b>-16.3%</b>	<b>-5.8%</b>	<b>-5.9%</b>	<b>13.4%</b>	<b>-18.9%</b>	<b>-16.0%</b>	<b>-6.9%</b>
Bar	-19.8%	20.8%	-8.4%	16.7%	-17.9%	6.5%	-2.9%
Casual Dining	-7.7%	-5.0%	-6.9%	12.2%	-15.5%	-6.8%	-5.3%
Fine Dining	-21.3%	-8.2%	2.7%	6.8%	-24.5%	-31.2%	-13.9%
<b>Wine</b>	<b>-32.5%</b>	<b>-16.4%</b>	<b>-10.6%</b>	<b>4.8%</b>	<b>-31.6%</b>	<b>-13.2%</b>	<b>-20.1%</b>
Bar	-28.1%	49.2%	7.2%	15.0%	-17.6%	0.5%	-11.3%
Casual Dining	-19.5%	-12.4%	-14.1%	3.3%	-21.2%	-10.7%	-13.0%
Fine Dining	-35.2%	-18.0%	-9.3%	4.7%	-37.0%	-15.0%	-23.8%
<b>Beer</b>	<b>-14.9%</b>	<b>-6.3%</b>	<b>-8.7%</b>	<b>6.1%</b>	<b>-9.5%</b>	<b>-12.0%</b>	<b>-7.8%</b>
Bar	-17.9%	-6.5%	-11.4%	12.9%	-12.5%	-10.5%	-7.8%
Casual Dining	-11.7%	-5.6%	-9.2%	0.0%	-2.3%	-8.1%	-6.6%
Fine Dining	-21.9%	-9.6%	4.7%	9.8%	-20.2%	-31.9%	-12.0%

GuestMetrics for Nightclub & Bar

### Wine Sales Trends: On-Premise Q4 2009 vs. Q1 2010 Sales Growth

	NY	DC	ATL	MIA	CHI	LA	NATIONAL
<b>Red</b>	<b>-33.9%</b>	<b>-15.5%</b>	<b>-10.9%</b>	<b>12.6%</b>	<b>-36.9%</b>	<b>-17.4%</b>	<b>-21.4%</b>
Bar	-20.8%	39.8%	-3.6%	26.8%	-29.6%	-0.2%	-14.3%
Casual Dining	-23.7%	-17.4%	-13.1%	15.9%	-22.8%	-13.5%	-14.0%
Fine Dining	-35.8%	-14.8%	-8.8%	11.0%	-40.8%	-19.7%	-24.3%
<b>White</b>	<b>-28.7%</b>	<b>-17.0%</b>	<b>-11.2%</b>	<b>-2.8%</b>	<b>-26.5%</b>	<b>-7.8%</b>	<b>-18.0%</b>
Bar	-26.8%	97.6%	7.6%	6.9%	-9.5%	-0.2%	-8.8%
Casual Dining	-14.9%	-6.8%	-15.0%	-4.1%	-20.4%	-7.2%	-12.0%
Fine Dining	-32.4%	-21.5%	-11.1%	-3.0%	-32.4%	-8.5%	-22.4%
<b>Rose</b>	<b>-50.8%</b>	<b>-32.7%</b>	<b>10.2%</b>	<b>-20.8%</b>	<b>-12.2%</b>	<b>-22.9%</b>	<b>-25.1%</b>
Bar	-54.9%	1.7%	58.0%	-33.8%	-15.5%	32.7%	-16.1%
Casual Dining	-0.3%	-20.0%	-21.8%	-0.5%	-7.8%	-16.0%	-10.5%
Fine Dining	-63.7%	-47.7%	11.0%	-31.2%	-6.0%	-34.0%	-40.4%

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quarter of last year. In the third segment, measuring casual dining establishments, total beverage alcohol sales fell 6.8 percent compared to last quarter but fell 24.2 percent year to year.

Compared to the most recent quarter, Miami fared best as a market, with a 10.3 percent increase in total beverage alcohol sales. Bars there showed the greatest strength, especially with spirit sales. New York City lost the most ground, down 19.6 percent, followed by Chicago, which saw drink sales slip 18.1 percent from Q4 2009 to Q1 2010.

Wine continued to be the category suffering most on-premise. Compared to last quarter, New York had the biggest drop, falling 32.5 percent, whereas Miami saw wine sales grow in all segments. There also was positive movement for wine in bars in Washington, Atlanta and Los Angeles. Red wines did slightly worse than whites overall, but rosés took the biggest hit. Red wine grew in all outlet types in Miami and in bars in Washington, while rosé grew in Atlanta; white wine grew in bars in Washington, Atlanta and Miami. Fine dining establishments were hit hardest in wine sales, dropping 23.8 percent compared to Q4 2009.

The spirits category lost the least ground in the first quarter of 2010 (down 6.9 percent overall), with Miami showing a 13.4 percent increase. Chicago was hardest hit (down 18.9 percent) followed by New York and Los Angeles (down 16.3 and 16.0 percent, respectively). Irish whiskey, domestic whiskey, Canadian whiskey and tequila showed the most growth in Miami, and eight of 10 spirits categories thrived in bars in Washington.

Drilling down into spirit categories showed that, while many year-over-

## Spirits Sales Trends: On-Premise Q4 2009 vs. Q1 2010 Sales Growth

	NY	DC	ATL	MIA	CHI	LA	NATIONAL
<b>Brandy</b>	<b>-16.1%</b>	<b>-2.2%</b>	<b>4.1%</b>	<b>16.6%</b>	<b>-18.3%</b>	<b>-3.3%</b>	<b>-1.0%</b>
Bar	-22.3%	19.2%	10.9%	13.3%	-9.3%	-13.6%	2.5%
Casual Dining	-1.3%	0.0%	-8.0%	49.5%	-21.1%	5.8%	1.6%
Fine Dining	-21.0%	-7.3%	10.0%	14.0%	-23.0%	-22.1%	-8.9%
<b>Canadian Whisky</b>	<b>-20.2%</b>	<b>-7.9%</b>	<b>-8.2%</b>	<b>22.8%</b>	<b>-27.2%</b>	<b>-21.9%</b>	<b>-6.6%</b>
Bar	-17.7%	12.2%	-11.0%	22.2%	-25.0%	-3.4%	-2.2%
Casual Dining	-14.6%	-8.1%	-8.6%	28.4%	-23.3%	-14.1%	-6.2%
Fine Dining	-27.1%	-8.5%	-0.2%	18.1%	-34.4%	-34.2%	-13.1%
<b>Cordial</b>	<b>-15.6%</b>	<b>-10.7%</b>	<b>-10.5%</b>	<b>16.4%</b>	<b>-15.1%</b>	<b>-26.6%</b>	<b>-7.0%</b>
Bar	-20.3%	27.4%	-12.2%	21.7%	-14.5%	-21.9%	-2.3%
Casual Dining	-10.4%	-10.8%	-11.5%	13.7%	-7.8%	-9.7%	-7.2%
Fine Dining	-20.1%	-12.4%	0.6%	9.3%	-26.9%	-49.6%	-13.6%
<b>U.S. Whiskey</b>	<b>-14.4%</b>	<b>-3.8%</b>	<b>-6.9%</b>	<b>25.0%</b>	<b>-18.7%</b>	<b>-18.6%</b>	<b>-7.4%</b>
Bar	-18.0%	36.2%	-9.7%	30.4%	-15.7%	-10.9%	-3.3%
Casual Dining	-6.3%	-5.4%	-7.7%	21.5%	-19.9%	-10.1%	-6.4%
Fine Dining	-23.5%	-2.1%	1.2%	15.9%	-22.5%	-35.2%	-13.8%
<b>Gin</b>	<b>-17.9%</b>	<b>-8.9%</b>	<b>-2.2%</b>	<b>14.0%</b>	<b>-24.3%</b>	<b>-13.4%</b>	<b>-11.1%</b>
Bar	-19.8%	170.1%	-4.5%	2.9%	-25.9%	1.4%	-13.5%
Casual Dining	-10.7%	-8.9%	-5.4%	17.8%	-21.4%	-3.1%	-7.8%
Fine Dining	-22.2%	-9.4%	6.0%	24.6%	-25.5%	-20.4%	-12.9%
<b>Irish Whiskey</b>	<b>-2.2%</b>	<b>9.9%</b>	<b>8.4%</b>	<b>65.8%</b>	<b>8.4%</b>	<b>-9.7%</b>	<b>8.1%</b>
Bar	0.5%	-18.2%	-6.3%	37.8%	-5.0%	0.0%	-0.9%
Casual Dining	19.6%	17.2%	11.6%	32.5%	24.6%	0.0%	16.4%
Fine Dining	-13.7%	-7.2%	29.3%	107.2%	9.7%	-29.8%	2.1%
<b>Rum</b>	<b>-22.0%</b>	<b>-6.8%</b>	<b>-8.1%</b>	<b>7.1%</b>	<b>-12.8%</b>	<b>-19.4%</b>	<b>-6.3%</b>
Bar	-16.1%	3.2%	-8.7%	11.3%	-8.2%	-8.1%	0.0%
Casual Dining	-19.2%	-5.7%	-11.5%	0.1%	-13.6%	-8.6%	-8.5%
Fine Dining	-32.4%	-11.2%	4.3%	8.9%	-22.6%	-41.0%	-10.3%
<b>Scotch</b>	<b>-16.9%</b>	<b>-10.3%</b>	<b>3.3%</b>	<b>1.3%</b>	<b>-22.9%</b>	<b>-14.5%</b>	<b>-10.0%</b>
Bar	-18.9%	-36.3%	-5.4%	-1.0%	-24.0%	-20.1%	-11.1%
Casual Dining	-6.4%	-9.6%	3.7%	4.9%	-25.5%	-8.4%	-6.2%
Fine Dining	-20.9%	-10.7%	11.1%	1.7%	-20.6%	-19.7%	-11.9%
<b>Tequila</b>	<b>-23.6%</b>	<b>-1.2%</b>	<b>-6.0%</b>	<b>22.7%</b>	<b>-17.3%</b>	<b>-10.5%</b>	<b>-5.1%</b>
Bar	-22.6%	24.5%	-7.1%	32.3%	-16.2%	37.5%	2.6%
Casual Dining	-14.1%	0.8%	-7.8%	16.7%	-11.8%	-7.0%	-3.9%
Fine Dining	-40.7%	-12.8%	6.0%	2.0%	-26.2%	-43.6%	-22.8%
<b>Vodka</b>	<b>-15.3%</b>	<b>-6.7%</b>	<b>-6.2%</b>	<b>12.3%</b>	<b>-20.0%</b>	<b>-15.7%</b>	<b>-6.8%</b>
Bar	-20.3%	20.1%	-8.1%	14.6%	-21.3%	1.5%	-3.6%
Casual Dining	-4.7%	-5.5%	-6.9%	12.0%	-15.6%	-4.7%	-4.6%
Fine Dining	-18.8%	-8.6%	-0.3%	5.1%	-22.8%	-27.6%	-13.5%

### Thirsty for More?

Visit [nightclub.com](http://nightclub.com) to obtain this report as well as previous reports. And for a look at successful drink promotions or ideas for upcoming events and holidays to build promotions around, turn to our Marketing & Promotion section on page 8 of this issue and click on the Profitable Promotions tab at [nightclub.com](http://nightclub.com).

## Beer Sales Trends: On-Premise Q4 2009 vs. Q1 2010 Sales Growth

	NY	DC	ATL	MIA	CHI	LA	NATIONAL
<b>Domestic</b>	<b>-13.8%</b>	<b>-9.7%</b>	<b>-8.6%</b>	<b>6.2%</b>	<b>-8.4%</b>	<b>-14.5%</b>	<b>-8.3%</b>
Bar	-14.1%	-12.3%	-11.3%	7.8%	-12.2%	-7.4%	-8.6%
Casual Dining	-13.1%	-9.5%	-9.2%	0.1%	0.3%	-10.3%	-7.8%
Fine Dining	-16.4%	-10.7%	6.6%	18.0%	-21.3%	-39.1%	-10.3%
<b>Import</b>	<b>-15.9%</b>	<b>-0.6%</b>	<b>-8.3%</b>	<b>6.1%</b>	<b>-11.2%</b>	<b>-9.5%</b>	<b>-7.2%</b>
Bar	-18.5%	19.8%	-11.2%	17.0%	-12.6%	-13.0%	-6.9%
Casual Dining	-10.1%	1.4%	-8.8%	0.0%	-6.2%	-5.7%	-5.0%
Fine Dining	-25.7%	-8.5%	2.0%	3.1%	-19.2%	-23.8%	-13.6%

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year trends have continued, the effect of the recession on-premise has been unpredictable. Irish whiskey, which has been posting double-digit growth for years, continued to do exceptionally well, showing growth in most markets and formats. It grew in fine dining and casual dining establishments, and it posted significant growth in Miami, Washington, Atlanta and Chicago.

Brandy, a weak category overall recently, was the second-strongest category in the last quarter, losing a scant 1 percent overall and gaining in bars and casual dining establishments. Tequila did well in bars, too, especially in Los Angeles, Miami and Washington, and rum performed well in all Miami outlets, fine dining in Atlanta and bars in Washington.

"Irish [whiskey] continues to do well, but what we're also seeing is that both brown and white spirits continue to be leading the rebound, especially due to the continuing consumer interest in cocktails," Posten says. "Trying the various cocktail options offered by operators is very attractive to customers looking for something unusual."

Poorest performers in quarter one 2010 were gin (down 11.1 percent), Scotch (down 10 percent) and domestic whiskey (down 7.4 percent). The worst-performing outlets for spirits were fine dining establishments in Los Angeles, where tequila and cordials did poorly, as well as bars in New York and fine dining outlets in Chicago. Tequila also fared poorly in fine dining outlets in New York.

For beer, the news was uniformly bad, though not extreme. Beer performed better than wine on-premise but worse than spirits. Domestics were down slightly more than imports, both performing the worst at fine dining establishments (domestics were off 10.3 percent there, imports off 13.6 percent). Imports did slightly better at bars and casual dining outlets. Miami posted gains or remained flat in domestics and imports in all outlets, while imports did well in bars and casual dining in Washington.

"Beer isn't doing as well as spirits, at least partly because when consumers go out, they're looking for something different, something they may not have back home in their fridge," says Posten. It's written in the numbers: Guests come to bars for an experience unlike what they can get at home. Offer it to them, and you'll reap the rewards. **NCB**



## The Research

The sales trend information presented here is derived from GuestMetrics' analysis of point-of-sale data from 2,800 bars, nightclubs and restaurants in six major metro markets from Jan. 1 to March 31, 2010. The data sample represents 104 million guest checks totaling \$4.5 billion in food and beverage sales. The operators involved utilize the GuestMetrics GuestSnapshot

Enterprise Reporting tool, which is uploaded daily from point-of-sale systems.



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This report is the fourth of an ongoing series of reports

Nightclub & Bar will publish on current on-premise sales trends. Nightclub & Bar is the exclusive media partner of GuestMetrics. This report will be hosted on our website, [www.nightclub.com](http://www.nightclub.com), along with previous and future sales reports.

For a deeper dive into on-premise trends, GuestMetrics and partner Technomic Inc. offer SalesMetrics, a monthly report of sales and marketing facts and insights for foodservice executives. A monthly Executive Briefing identifies relevant restaurant trends and incorporates expert analysis from Technomic. Data is sourced from GuestMetrics' actual check transactions database. For more information, visit [www.guestmetrics.com](http://www.guestmetrics.com).