

ON THE MENU

Trends in
On- and
Off-Premises
Beverage
Alcohol



NATIONAL
RESTAURANT
ASSOCIATION





ON THE MENU

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By the bottle or by the glass, adult diners are interested in alcohol options.

Convenience and socialization are the 2 major drivers of why consumers choose restaurant meals. How they choose a restaurant has many other factors, but near the top of the list is often a restaurant’s beverage alcohol program. On-premises or off-premises, adult diners who want to try new types of alcohol or are looking for the comfort of an every-day favorite trust the restaurants in their communities to guide them.

Alcohol has always presented restaurant operators with a creative and high-margin opportunity to innovate and set themselves apart from the competition. Overall, among fullservice restaurants that offer beverage alcohol, it represents an average of 21% of total sales. In the limited-service segment, alcohol beverages make up an average of 6% of sales for establishments that offer it.

Changes to alcohol laws secured by the National Restaurant Association and the state restaurant associations during the pandemic allowed operators to expand these on-premises programs beyond their 4 walls.

In states where alcohol to-go continues, enterprising operators are beginning to consider how to cultivate an off-premises program that will complement their takeout menus. They’re finding that many customers—especially younger ones—are interested in pairing a craft beer, a glass of wine, or a restaurant’s signature cocktail with their meal, both on- and off-premises.

Many restaurants also took the opportunity to expand and refine their overall alcohol programs—adding new streams of revenue as operators focus on growth post-pandemic.

This report examines beverage alcohol trends in the restaurant industry, based on survey data from consumers and operators, and presents data on the offerings and promotions that capture consumer interest in beverage alcohol programs.



A GOOD STARTING PLACE

Exploration begins at restaurants

84% of adults (21+) who drink wine, beer, or cocktails say restaurants are a good place to learn about alcohol beverages that they haven't tried before.

Trust in staff recommendations

82% of these consumers say they trust the staff at their local restaurants to make good recommendations when it comes to alcohol beverages.

This sentiment is shared by a strong majority of consumers across all age groups. 9 in 10 millennials and Gen Z adults agree.



RESTAURANTS ARE A TRUSTED RESOURCE FOR INFORMATION ABOUT ALCOHOL BEVERAGES

| STATEMENT | ALL ADULTS* | GEN Z (21-26) | MILLENNIALS (27-42) | GEN-XERS (43-58) | BABY BOOMERS (59-77) |
|---|-------------|---------------|---------------------|------------------|----------------------|
| Restaurants are a good place to learn about alcohol beverages that you haven't tried before | 84% | 89% | 91% | 84% | 79% |
| You trust the staff at your local restaurants to make good recommendations when it comes to alcohol beverages | 82% | 89% | 88% | 80% | 77% |

Source: National Restaurant Association
 *Adults age 21+ who say they ever drink wine, beer or cocktails/mixed drinks with a meal at a restaurant

May I see your drink list?

42% of adults age 21+ say the availability of alcohol beverages such as beer, wine or cocktails makes them more likely to choose one restaurant over another similar restaurant.

Millennials are choosiest with 57%, reporting they would make a restaurant choice based on the availability of alcohol beverages.

Opportunities to attract new customers

Perhaps more telling than *who's* drinking (by age group) is *what* they're drinking.

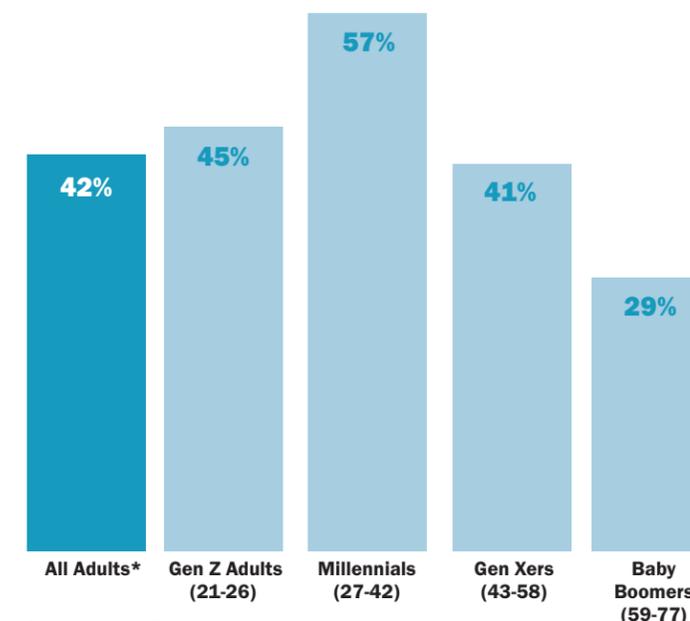
Beer drinkers (70%), wine drinkers (69%) and cocktail drinkers (67%) are even more likely to say the availability of alcohol beverages makes them more likely to choose one restaurant over another.

A beverage program catered to these customers can attract new business.



IF YOU SERVE IT, THEY WILL COME

% of consumers* who say the availability of alcohol beverages makes them more likely to choose one restaurant over another similar restaurant



Source: National Restaurant Association
 *Adults age 21+



New offerings on the way

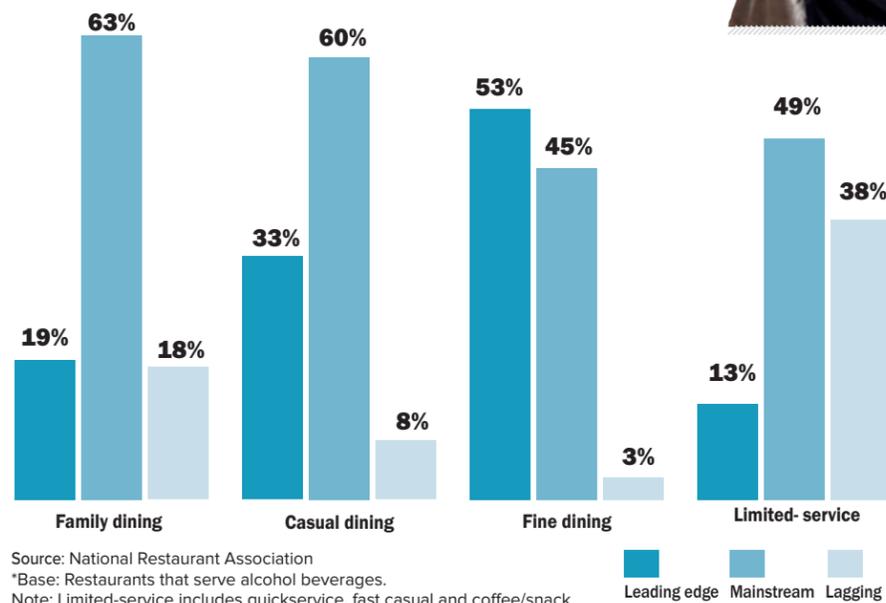
74% of fine dining operators and 67% of casual dining operators say they plan to add new alcohol beverage items in 2023.

Among limited-service operators who serve alcohol, 41% plan to expand their offerings in 2023.



FINE DINING SETS THE PACE

Restaurant operators* assessment of their alcohol beverage offerings



Source: National Restaurant Association
 *Base: Restaurants that serve alcohol beverages.
 Note: Limited-service includes quickservice, fast casual and coffee/snack concepts.



Trend setters and followers

While a majority of fullservice restaurants have alcohol beverages on their menus, most operators don't view their offerings as trend-setting. The exception is the fine dining segment, in which 53% of operators say their alcohol beverage offerings are "leading edge."

In contrast, just 33% of casual dining operators and 19% of family dining operators view their alcohol program as "leading edge." Instead, most of these operators describe their alcohol beverage program as "mainstream."

Consumers are less likely to see expansive alcohol beverage offerings on limited-service menus. Among limited-service operators that serve alcohol, 38% describe their offerings as "lagging."



Wine and dine

Consumers are just as likely to drink wine with a meal at home as they are in a restaurant;

31% of adults age 21+ say they drink wine with a meal at a restaurant and 32% say they drink wine at home.

37% of millennials say they will drink wine with a meal at a restaurant. Three in 10 baby boomers and Gen Xers and 27% of Gen Z adults report similarly.

Urban residents (42%) are more likely than their suburban (32%) or rural (17%) counterparts to order wine at a restaurant. And wine is more popular in general with those from households making \$100K or more.

CORK POPS AND TWIST TOPS

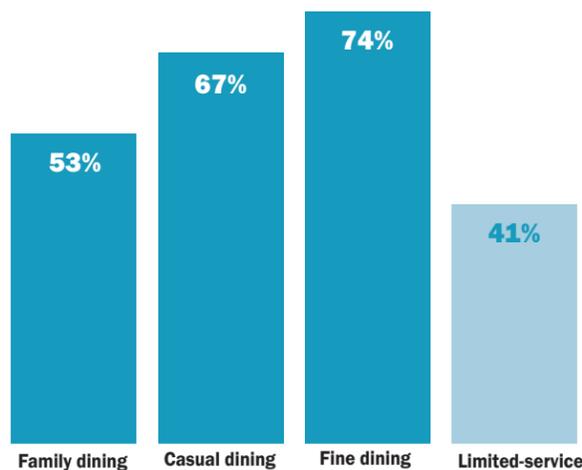
% of adults* who say they ever drink wine with a meal at home or at a restaurant

| DEMOGRAPHIC | DRINK WINE WITH A MEAL AT HOME | DRINK WINE WITH A MEAL AT A RESTAURANT |
|--------------------------|--------------------------------|--|
| ALL ADULTS | 32% | 31% |
| Gender | | |
| Male | 33% | 32% |
| Female | 31% | 31% |
| AGE GROUP | | |
| Gen Z Adults (21-26) | 31% | 27% |
| Millennials (27-42) | 39% | 37% |
| Gen Xers (43-58) | 30% | 29% |
| Baby Boomers (59-77) | 29% | 30% |
| HOUSEHOLD INCOME | | |
| Less than \$50,000 | 21% | 19% |
| \$50,000 to \$99,999 | 36% | 36% |
| \$100,000 or more | 50% | 52% |
| REGION | | |
| Northeast | 38% | 38% |
| Midwest | 28% | 26% |
| South | 31% | 30% |
| West | 33% | 34% |
| SIZE OF COMMUNITY | | |
| Urban | 42% | 42% |
| Suburban | 31% | 32% |
| Rural | 22% | 17% |

Source: National Restaurant Association
 *Adults age 21+

EXPANDING OFFERINGS

% of operators* that plan to add new alcohol beverage items in 2023



Source: National Restaurant Association
 *Base: Restaurants that serve alcohol beverages.
 Note: Limited-service includes quickservice, fast casual and coffee/snack concepts.





Cocktail Drinkers: by the numbers

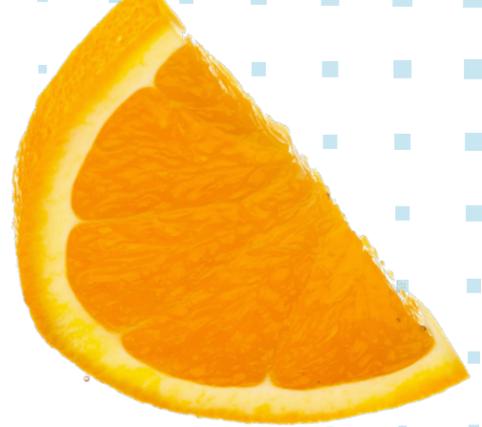
Consumers are more likely to drink a cocktail in a restaurant than at home.

34% of adults age 21+ say they will drink a cocktail with a meal at a restaurant, but only 21% say they do so at home.

Millennials (44%) are the most likely to order a cocktail or mixed drink in a restaurant, followed by Gen Xers (35%).

31% of Gen Z adults and 27% of baby boomers—again, the youngest and eldest age groups—say they'll have a cocktail with a meal at a restaurant.

Across other demographic categories, urban residents (40%), Northeast residents (40%) and individuals in higher income households (46%) are the most likely to say they'll have a cocktail or mixed drink with a meal at a restaurant.



IPA OR LAGER?

% of adults* who say they ever drink beer with a meal at home or at a restaurant

| DEMOGRAPHIC | DRINK BEER WITH A MEAL AT HOME | DRINK BEER WITH A MEAL AT A RESTAURANT |
|--------------------------|--------------------------------|--|
| ALL ADULTS | 28% | 30% |
| Gender | | |
| Male | 39% | 42% |
| Female | 18% | 18% |
| AGE GROUP | | |
| Gen Z Adults (21-26) | 16% | 22% |
| Millennials (27-42) | 38% | 38% |
| Gen Xers (43-58) | 32% | 33% |
| Baby Boomers (59-77) | 21% | 24% |
| HOUSEHOLD INCOME | | |
| Less than \$50,000 | 21% | 21% |
| \$50,000 to \$99,999 | 31% | 35% |
| \$100,000 or more | 40% | 41% |
| REGION | | |
| Northeast | 30% | 31% |
| Midwest | 27% | 31% |
| South | 27% | 29% |
| West | 30% | 30% |
| SIZE OF COMMUNITY | | |
| Urban | 34% | 35% |
| Suburban | 25% | 27% |
| Rural | 26% | 28% |

Source: National Restaurant Association
*Adults age 21+



Beer drinker base data

Beer-drinking consumers like to imbibe equally at home and when dining out.

30% of adults age 21+ say they will drink a beer with a meal at a restaurant, compared with 28% who will do so at home.

Men (42%) are more than twice as likely as women (18%) to say they'll drink a beer with a meal at a restaurant.

Millennials (38%) and Gen Xers (33%) are most likely to order beer in restaurants. Fewer than 1 in 4 baby boomers (24%) and Gen Z adults (22%)—the eldest and youngest groups—say the same.

Urban residents (35%) are somewhat more likely than rural (28%) and suburban (27%) residents to order beer in a restaurant.

COCKTAIL, ANYONE?

% of adults* who say they ever drink a cocktail or mixed drink with a meal at home or at a restaurant

| DEMOGRAPHIC | DRINK A COCKTAIL WITH A MEAL AT HOME | DRINK A COCKTAIL WITH A MEAL AT A RESTAURANT |
|--------------------------|--------------------------------------|--|
| ALL ADULTS | 21% | 34% |
| Gender | | |
| Male | 23% | 34% |
| Female | 19% | 34% |
| AGE GROUP | | |
| Gen Z Adults (21-26) | 20% | 31% |
| Millennials (27-42) | 33% | 44% |
| Gen Xers (43-58) | 19% | 35% |
| Baby Boomers (59-77) | 13% | 27% |
| HOUSEHOLD INCOME | | |
| Less than \$50,000 | 16% | 26% |
| \$50,000 to \$99,999 | 23% | 37% |
| \$100,000 or more | 28% | 46% |
| REGION | | |
| Northeast | 21% | 40% |
| Midwest | 19% | 32% |
| South | 21% | 33% |
| West | 23% | 33% |
| SIZE OF COMMUNITY | | |
| Urban | 29% | 40% |
| Suburban | 18% | 34% |
| Rural | 17% | 27% |

Source: National Restaurant Association
*Adults age 21+

ALCOHOL TO-GO IS HERE TO STAY

Twenty states and the District of Columbia have made emergency pandemic regulations allowing alcohol to-go permanent, and another 14 states allow it on a long-term, but temporary basis. This is the most significant change to state alcohol laws since the end of Prohibition in 1933.

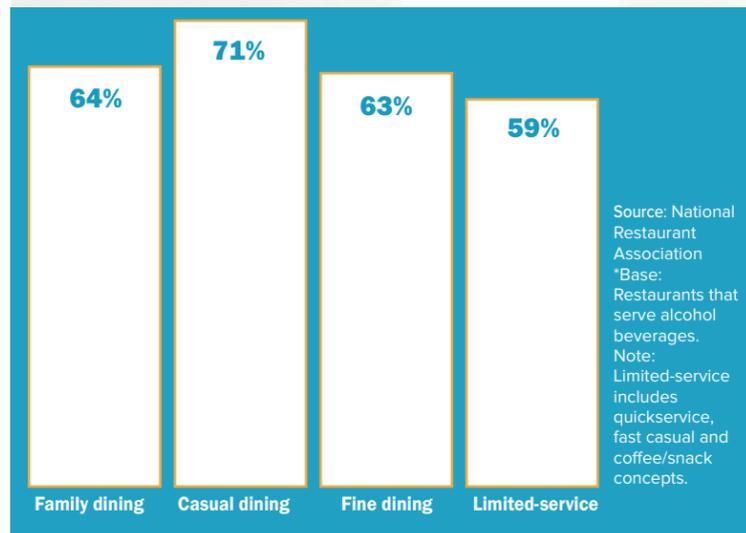
Regulatory changes from the pandemic have enabled more off-premises alcohol options, such as cocktails to go and wines by the glass.

The National Restaurant Association and state restaurant associations continue to pursue regulatory changes to make off-premises alcohol legal in additional states.

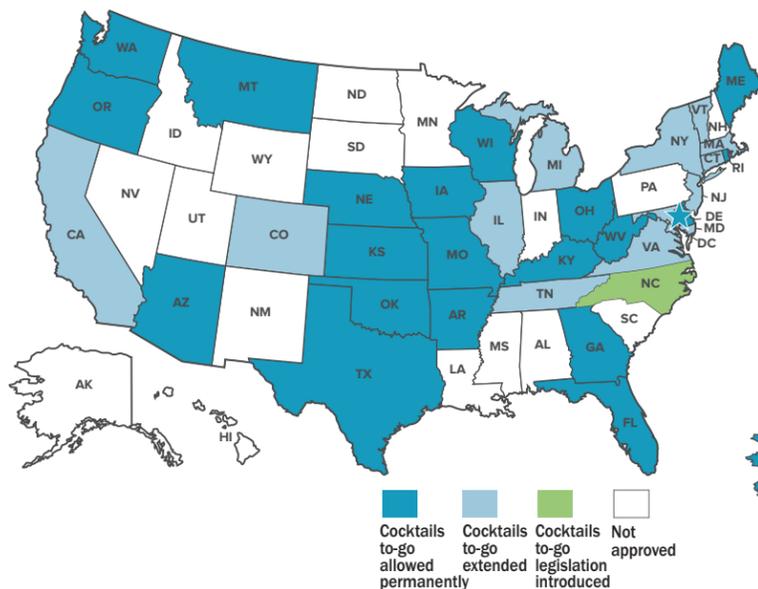
Among restaurants that offer alcohol beverages, a majority of both full-service and limited-service operators say they gave customers the option of purchasing alcohol to go at some point during the pandemic.

ALCOHOL TO-GO A PANDEMIC LIFELINE FOR MANY

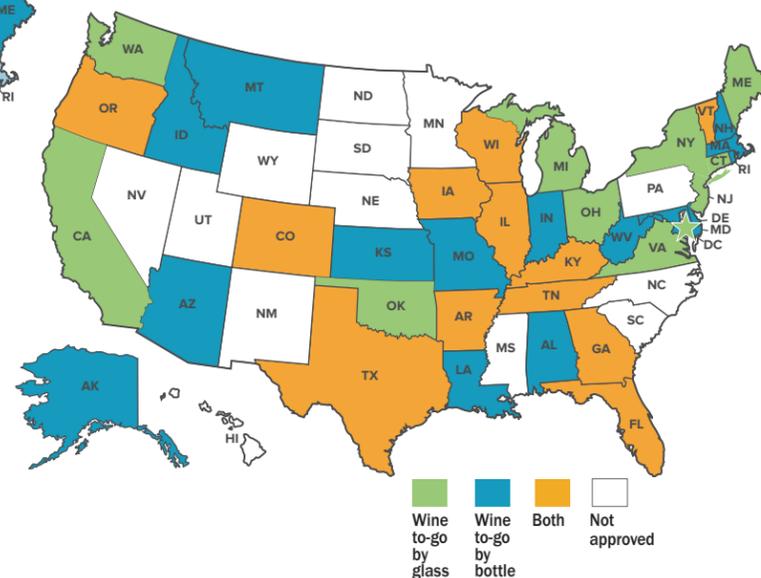
% of operators* who say their restaurant offered the option of including alcohol beverages with takeout or delivery orders



STATES ALLOWING COCKTAILS TO-GO



STATES ALLOWING WINE TO-GO



Among operators that currently offer the option to include alcohol beverages with takeout or delivery orders, **more than 9 in 10 across each of the restaurant segments say their restaurant will likely continue doing so if their jurisdiction continues to allow it.**

How they're getting alcohol to-go

The most common ways for consumers to get off-premises alcohol beverages is with a takeout.

Roughly 9 in 10 operators offer off-premises alcohol with takeout orders. A much smaller proportion of restaurants offer alcohol beverages with delivery orders.



TAKEOUT IS THE GO-TO FOR ALCOHOL TO-GO

% of operators* who say their restaurant offers alcohol beverages via the following off-premises channels

| OFF-PREMISES CHANNEL | FAMILY DINING | CASUAL DINING | FINE DINING | LIMITED-SERVICE |
|------------------------------------|---------------|---------------|-------------|-----------------|
| Takeout | 86% | 90% | 90% | 86% |
| Delivery by a 3rd-party provider | 22% | 26% | 13% | 43% |
| Delivery by the restaurant's staff | 18% | 10% | 10% | 19% |

Source: National Restaurant Association
*Base: Restaurants that serve alcohol beverages. Note: Limited-service includes quickservice, fast casual and coffee/snack concepts.



What's on alcohol to-go menus?

Beer is the most commonly offered option among restaurant operators that offer alcohol beverages with takeout or delivery—particularly at family dining, casual dining and limited-service restaurants.

Wine by the bottle appears on 92% of off-premises menus at fine dining restaurants, as well as a majority of casual dining and family dining menus.

Wine by the glass is available at roughly 4 in 10 fullservice restaurants that offer alcohol beverages with takeout or delivery orders.

To-go cocktails are available at about 7 in 10 fullservice restaurants that offer alcohol to-go.



FIRST CALL: BEER TOPS TO-GO

% of operators* who say their restaurant offers the following alcohol beverages with takeout or delivery orders

| ALCOHOL BEVERAGE | FAMILY DINING | CASUAL DINING | FINE DINING | LIMITED-SERVICE |
|--------------------|---------------|---------------|-------------|-----------------|
| Beer | 79% | 85% | 67% | 89% |
| Wine by the bottle | 65% | 74% | 92% | 48% |
| Cocktails | 66% | 70% | 66% | 25% |
| Wine by the glass | 41% | 38% | 43% | 27% |

Source: National Restaurant Association
 *Base: Restaurants that currently offer alcohol beverages with takeout or delivery orders.
 Note: Limited-service includes quickservice, fast casual and coffee/snack concepts.



Plenty of room for growth

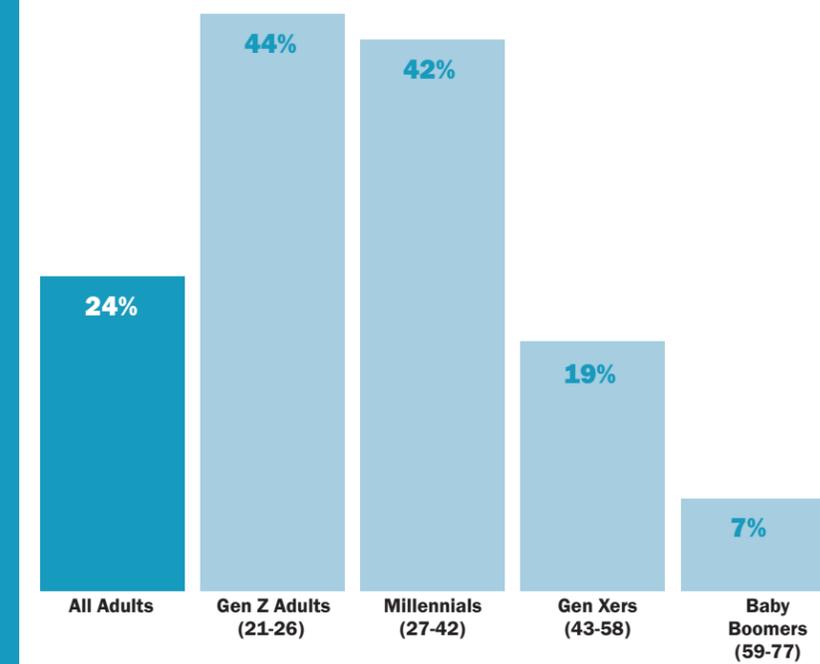
Despite the availability of alcohol to-go, **only 24% of adults age 21+ who opted for takeout or delivery from a restaurant during the last 6 months included an alcohol beverage in the order.**

Use was higher among younger consumers.

44% of Gen Z adults (age 21+) and 42% of millennials say they included an alcohol beverage with a takeout or delivery order from a restaurant in the past 6 months.

YOUNGER CONSUMERS GAME FOR ALCOHOL TO-GO

% of off-premises customers* who included an alcohol beverage with a takeout or delivery order in the last 6 months



Source: National Restaurant Association
 *Base: Adults age 21+ who ordered takeout or delivery food from a restaurant, deli or fast food place during the past 6 months

Merlot or Malbec?

Among wine drinkers who say they'd like the option to include wine by the glass with a takeout or delivery order, 65% say they'd likely order a glass of red.

57% would opt for a glass of white, while 47% say they'd order rosé. Bubbles weren't as popular, with 40% saying they'd order a glass of sparkling wine.



MAKE THAT A GLASS TO-GO

% of wine drinkers* who say they would be likely to include the following wines by the glass with a takeout or delivery order

| OPTION | ALL WINE DRINKERS | GEN Z (21-26) | MILLENNIALS (27-42) | GEN-XERS (43-58) | BABY BOOMERS (59-77) |
|-----------|-------------------|---------------|---------------------|------------------|----------------------|
| Red | 65% | 72% | 67% | 58% | 65% |
| White | 57% | 51% | 57% | 59% | 59% |
| Rosé wine | 47% | 48% | 53% | 41% | 40% |
| Sparkling | 40% | 36% | 45% | 41% | 31% |

Source: National Restaurant Association
 *Base: Wine drinkers age 21+ who say they would like the option to include wine by the glass with a takeout or delivery order



While most customers aren't opting for alcohol to-go, a much higher proportion say it would factor into their choice of restaurants.

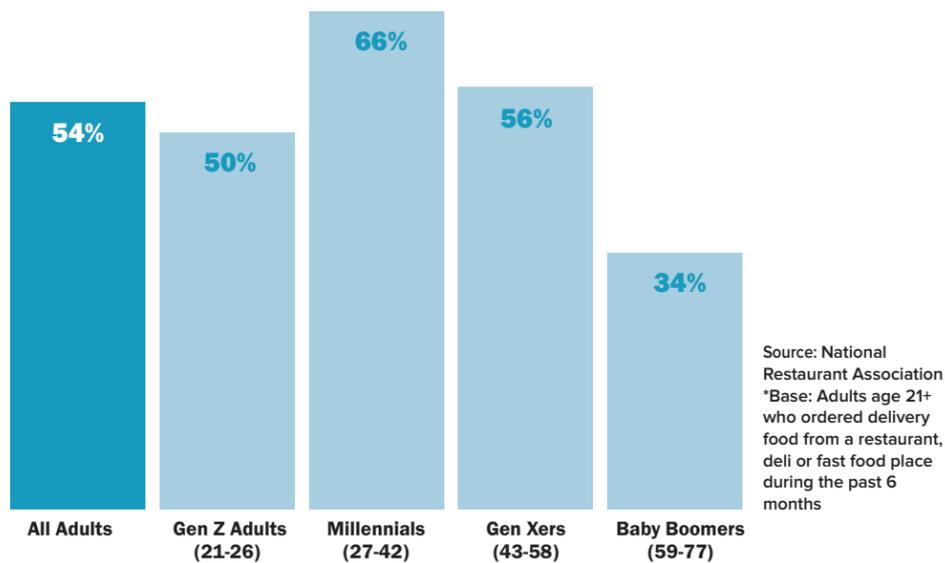
This suggests that many consumers don't even know it's an option to include alcohol beverages with delivery or takeout order.

Among adults age 21+ who ordered food for delivery during the last 6 months, 54% say the option to include alcohol beverages would make them more likely to choose one restaurant over another similar restaurant for a delivery order. At 66%, millennials are the most likely to say the option would factor into their restaurant choice.

Wine drinkers (79%), beer drinkers (77%) and cocktail drinkers (74%) were even more likely to say they'd choose a restaurant for delivery based on being able to get alcohol beverages with their order.

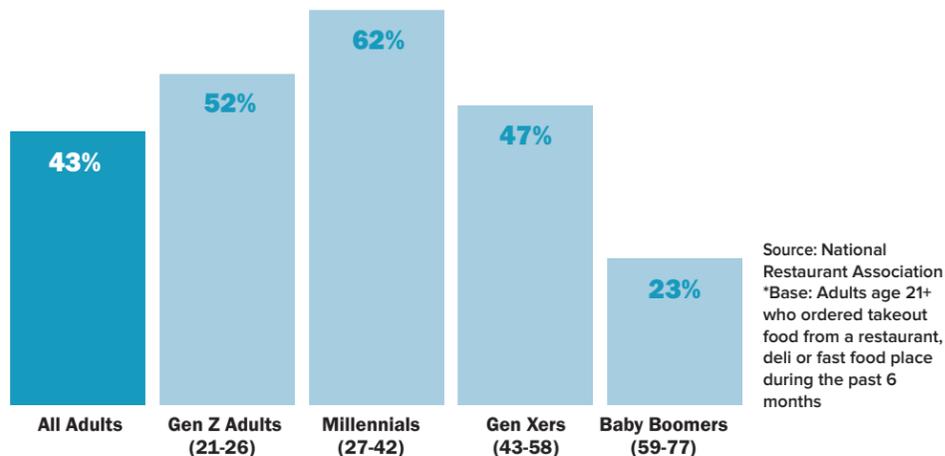
THE DELIVERY DIFFERENCE

% of **delivery** customers* who say the availability of alcohol beverages would make them more likely to choose one restaurant over another similar restaurant



ALCOHOL OPTIONS SHAKE UP TAKEOUT

% of **takeout** customers* who say the availability of alcohol beverages would make them more likely to choose one restaurant over another similar restaurant



Among adults age 21+ who ordered takeout during the last 6 months, 43% say the availability of alcohol beverages would make them more likely to choose one restaurant over another similar restaurant for a takeout order.

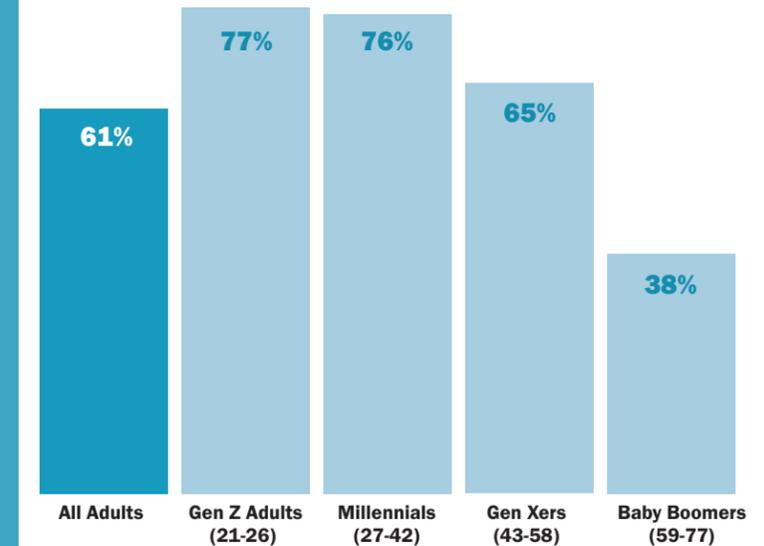
62% of millennials and 52% of Gen Z adults say they would be more likely pick a restaurant for takeout if they could include alcohol beverages.

Cocktail drinkers (70%), wine drinkers (67%) and beer drinkers (67%) were even more likely to say they would make a takeout order from a restaurant that offers alcohol beverages.



CONSUMERS CRAVE MORE OFF-PREMISES OPTIONS

% of alcohol drinkers* who say they would like to have more alcohol beverage options to include with takeout or delivery orders from restaurants



Source: National Restaurant Association
*Adults age 21+ who say they ever drink wine, beer or cocktails/mixed drinks with a meal at a restaurant

Thirsty for more choice

Consumers are not even close to being oversaturated with alcohol beverage choices on off-premises menus.

Among adults age 21+ who drink wine, beer or cocktails when going out to eat at a restaurant, 61% say they'd like to have more alcohol beverage options to go with their restaurant takeout or delivery orders—highlighting the growth potential for off-premises alcohol.

Among millennials and Gen Z adults, the number rises to more than 3 in 4.

BOOSTING BEVERAGE ALCOHOL BUSINESS

The Association asked wine, beer and cocktail drinkers what beverage alcohol offerings and promotions they would most like to see at restaurants in their area. Local sourcing, tasting events and food pairings are popular among all 3 consumer groups.

While interest is high across all age groups, **millennials and Gen Z adults are the most likely to say they would take advantage of alcohol-focused offerings and promotions at restaurants.**

TARGETING PROMOTIONS WITH DATA

Wooing wine drinkers

An opportunity to try out some local wines:

- 83% say they would like the option of ordering wine that was made by a local winery.

Expand the palate:

- 82% say they would like to be able to order a glass of wine that is typically only offered by the bottle.
- 81% say they would participate in tasting events at restaurants.
- 79% would like the option to order smaller tasting-sized glasses of wine from the menu.

Oenophiles are also foodies:

- 81% say they would attend a wine dinner event with a special menu of food and wine pairings.



- 78% say they would like to order wine selected by the restaurant to pair with food items on the menu.

Value isn't lost on wine drinkers:

- 8 in 10 say they would take advantage of wine discounts when the restaurant isn't busy.

Don't forget about off-premises:

- 64% say they would join a wine club that offers bottles of wine selected by the restaurant's staff.
- 64% say they would like the option to include wine by the bottle with a takeout or delivery order.
- 60% say they would like the option to include wine by the glass with a takeout or delivery order.



WINE PROMOTIONS

% of wine drinkers* who say they'd be likely to use the following options if they were offered by a restaurant in their area that they patronize

| OPTIONS | ALL WINE DRINKERS | GEN Z ADULTS (21-26) | MILLENNIALS (27-42) | GEN-XERS (43-56) | BABY BOOMERS (59-77) |
|--|-------------------|----------------------|---------------------|------------------|----------------------|
| Option to order wine that was made by a local winery | 83% | 91% | 89% | 87% | 74% |
| Option to order a glass of wine that is typically only offered by the bottle | 82% | 80% | 86% | 83% | 82% |
| Discounted wine on less busy days of the week | 82% | 92% | 88% | 84% | 74% |
| Tasting events at the restaurant that offer a selection of wine for customers to taste | 81% | 80% | 88% | 84% | 73% |
| Wine dinner event hosted by the restaurant with a special menu of food and wine pairings | 81% | 89% | 90% | 82% | 71% |
| Option to order smaller tasting-sized glasses of wine from the menu | 79% | 85% | 85% | 86% | 70% |
| Option to order wine selected by the restaurant to pair with food items on the menu | 78% | 77% | 85% | 86% | 67% |
| Discounted wine during less busy times of the day | 78% | 75% | 87% | 78% | 73% |
| Option to include wine by the bottle with a takeout or delivery order | 64% | 74% | 81% | 68% | 43% |
| Wine club offered by the restaurant, which includes bottles of wine selected by the restaurant's staff | 64% | 73% | 82% | 62% | 46% |
| Option to include wine by the glass with a takeout or delivery order | 60% | 75% | 79% | 58% | 40% |

Source: National Restaurant Association
*Adults age 21+ who say they ever drink wine with a meal either at home or at a restaurant



Tapping into beer drinkers

Offer some local craft options:

- 81% want the option to order beer that was made by a local brewery.

Opportunity to sample new beer:

- 79% would participate in tasting events at the restaurant that offer a selection of beer for customers to taste.
- 74% would order smaller tasting-sized glasses of beer from the menu.

Happy hour options:

- 78% would like discounted beer when the restaurant is less busy.

Suds and grub:

- 76% say they would participate in a beer dinner event hosted by the restaurant with a special menu of food and beer pairings.
- 74% would order beer selected by the restaurant to pair with food items on the menu.

Stock the fridge at home:

- 63% would join a beer club offering bottles/cans of beer selected by the restaurant's staff.
- 61% would like the option to include beer with a takeout or delivery order.

BEER PROMOTIONS

% of beer drinkers* who say they'd likely use the following options if they were offered by a restaurant in their area that they patronize

| OPTIONS | ALL BEER DRINKERS | GEN Z ADULTS (21-26) | MILLENNIALS (27-42) | GEN-XERS (43-58) | BABY BOOMERS (59-77) |
|---|-------------------|----------------------|---------------------|------------------|----------------------|
| Option to order beer that was made by a local brewery | 81% | 81% | 87% | 77% | 79% |
| Tasting events at the restaurant that offer a selection of beer for customers to taste | 79% | 86% | 86% | 76% | 74% |
| Discounted beer on less busy days of the week | 78% | 70% | 84% | 77% | 75% |
| Discounted beer during less busy times of the day | 78% | 85% | 84% | 77% | 71% |
| Beer dinner event hosted by the restaurant with a special menu of food and beer pairings | 76% | 74% | 88% | 75% | 62% |
| Option to order smaller tasting-sized glasses of beer from the menu | 74% | 73% | 80% | 71% | 72% |
| Option to order beer selected by the restaurant to pair with food items on the menu | 74% | 75% | 87% | 71% | 61% |
| Beer club offered by the restaurant, which includes bottles/cans of beer selected by the restaurant's staff | 63% | 68% | 77% | 63% | 45% |
| Option to include beer with a takeout or delivery order | 61% | 71% | 77% | 58% | 43% |

Source: National Restaurant Association
*Adults age 21+ who say they ever drink beer with a meal either at home or at a restaurant

COCKTAIL PROMOTIONS

% of cocktail drinkers* who say they'd likely use the following options if they were offered by a restaurant in their area that they patronize

| OPTIONS | ALL COCKTAIL DRINKERS | GEN Z ADULTS (21-26) | MILLENNIALS (27-42) | GEN-XERS (43-58) | BABY BOOMERS (59-77) |
|--|-----------------------|----------------------|---------------------|------------------|----------------------|
| Discounted cocktails or mixed drinks during less busy times of the day | 83% | 83% | 87% | 88% | 75% |
| Discounted cocktails or mixed drinks on less busy days of the week | 82% | 73% | 87% | 86% | 78% |
| Tasting events at the restaurant that offer a selection of cocktails or mixed drinks for customers to taste | 80% | 77% | 88% | 86% | 66% |
| Option to order cocktails or mixed drinks that include distilled spirits made by a local producer | 80% | 70% | 87% | 84% | 71% |
| Option to order smaller tasting-sized cocktails or mixed drinks from the menu | 77% | 83% | 82% | 82% | 67% |
| Cocktail dinner event hosted by the restaurant with a special menu of food and cocktail pairings | 76% | 76% | 84% | 78% | 64% |
| Option to order cocktails or mixed drinks selected by the restaurant to pair with food items on the menu | 74% | 89% | 80% | 77% | 59% |
| Option to include pre-made cocktails or mixed drinks with a takeout or delivery order | 67% | 85% | 78% | 69% | 47% |
| Option to include a cocktail kit with a takeout or delivery order, which contains the ingredients to make a batch of cocktails at home | 65% | 70% | 78% | 68% | 43% |

Source: National Restaurant Association
*Adults age 21+ who say they ever drink cocktails or mixed drinks with a meal either at home or at a restaurant

Stirring cocktail drinkers

Fill seats during off-peak hours:

- More than 8 in 10 cocktail drinkers would like discounted drinks during less busy days or times at the restaurant.

Local spirits:

- 80% would like to order drinks made with locally-produced distilled spirits.

Try new things:

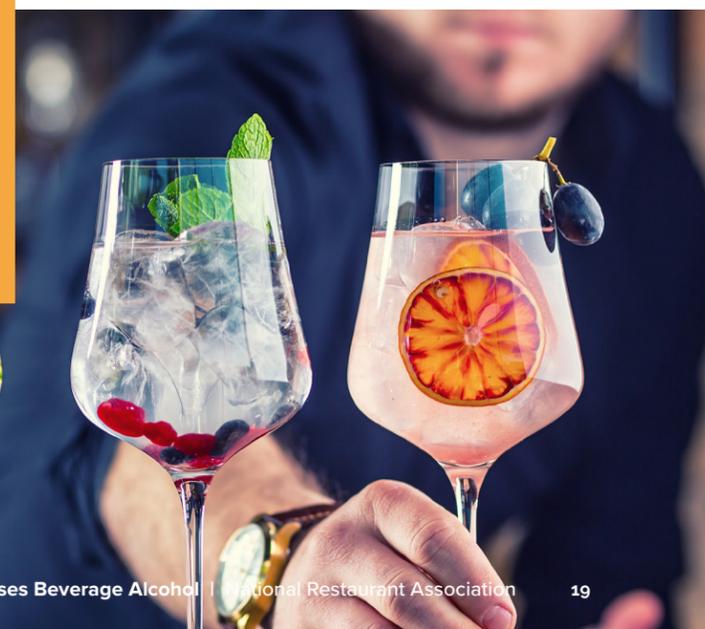
- 80% say they would participate in events at the restaurant that offer a selection of cocktails or mixed drinks for customers to sample.
- 77% would like the option to order smaller tasting-sized cocktails or mixed drinks from the menu.

Marrying menu and mixology:

- 76% would go to events with a special menu of food and cocktail pairings.
- 74% would order cocktails or mixed drinks selected by the restaurant to pair with food items on the menu.

Send the bar home with customers:

- 67% say they would include pre-made cocktails or mixed drinks with a takeout or delivery order.
- 65% would like the option to include a cocktail kit with the ingredients to make a batch of cocktails in a takeout or delivery order.



PIVOTS BECOME PROGRESS

OPERATOR PROFILES

The alcohol trends in this report represent some of what's driving innovation at restaurants in every community.

For many operators—large and small—alcohol offers an opportunity to be trend-forward, meet new market demands, and to do what they do best while maximizing every aspect of their restaurant.

The pandemic's shutdowns hit operators hard, and the speed at which they had to pivot presented several challenges. The National Restaurant Association asked operators what they considered important when adding their new alcohol programs, and the roles customers, marketing, and their brand identities factor in their future plans.

Here's what they said.



PROFILE

Aldaco's Mexican Cuisine

Blanca Aldaco
San Antonio

Three years ago, when Blanca Aldaco decided to serve margaritas to-go at her restaurant, she didn't consider that it could turn into the game changer it's become.

Aldaco, owner of Aldaco's Mexican Cuisine in San Antonio, says cocktails to-go was a way to provide the food and drink consumers craved during the pandemic, but couldn't consume inside the restaurant. Thanks to her team's quick work and innovation, guests could order the drinks online as part of a "kit" complete with fresh lime and salt, if they purchased food with it and picked it up curbside. They could either eat it outside on the restaurant's patio or take it home. The beverages were an instant hit.

"It really changed everything," she says. "It was a great way for us to increase our per-person [check] average. The law required guests to purchase food with the drinks, and it was affordably priced. We were doing up to 50 orders a day, all 100% mobile, and worked as fast as we could to satisfy demand."

From the outset, Aldaco knew alcohol to-go would be big—a new way of doing business—and was determined to get ahead of the competition. To overcome supply issues, she recycled and repurposed glass bottles for the margaritas, and partnered with her tequila supplier for other goods like shakers, carriers, and other packaging materials. Soon, other liquor companies, seeing her success, wanted in on the action.

"We relied on the relationships we had with our existing vendors," she says. "They really stepped up. And we decided to have fun with it. We had so many ideas, ways to market it that made the difference. We posted funny videos online, but we were all business. We had staff dedicated to servicing our alcohol-to-go program and made sure everything was organized. I have to say every single order contained some kind of alcohol-to-go beverage, either a single-glass cocktail or a liter of



margaritas. During the pandemic, sales were 50% alcohol. Today, it's about 60% food and 40% alcohol."

Aldaco's alcohol-to-go sales remain brisk, even though diners have returned to enjoy the ambience of on-premises dining. It continues to be a big revenue stream for her business, with half-gallon frozen margaritas and liters of the restaurant's award-winning MPO margaritas driving sales.

Aldaco, however, says there's room to grow her beverage sales. She's looking at special occasions, like Father's Day, to offer a to-go whiskey kit, a cigar cutter, and an Old Fashioned glass. She's also planning to add more on-premises live music events, which she feels could boost beverage sales.

"We're passionate about ensuring that the quality of our drinks is on par with our food," she says. "The goal is to continue doing what we do really well, but even better, and maximize every aspect of this restaurant. We always want to be recognized as leaders in what we do."



We're passionate about ensuring that the quality of our drinks is on par with our food."



PROFILE

Barolo Grill

Ryan Fletter
Denver

When the pandemic hit In March 2020, Ryan Fletter, owner and operations director of Barolo Grill, an upscale Italian restaurant in Denver, feared the worst and wondered what the future held.

“In the very beginning, this wine-centric, convivial space, where people came to have wine with their dinner, seemed quite bleak,” he says. “Pre-pandemic, 50% of our sales came from wine, but then, suddenly, we were hit with the stark reality that we could only serve food to-go.”

Almost immediately, Colorado started allowing restaurants to sell alcohol to-go, which Fletter says was a “serious life-line for restaurants like ours. It allowed us to continue our connection with the guests and still give them what they came for—a food and wine experience.”

“At first, we didn’t really think about selling bottles of wine to go as much as we did wines by the glass, or cocktails and beer, things we could sell on a regular basis to customers who couldn’t sit in our restaurant. Now, after three years, it’s my experience that most people still want the wines no one else had.”

Fletter adds that people trust Barolo Grill, and its reputation as a wine expert for the last 30 years, to help them choose

“
We’re pioneering something new under temporary guidelines, and hope it continues.”

a great bottle of pinot grigio they’d never had or heard of before. And that often these selections become new favorites. “It allowed us to move in the direction of a sommelier sort of service that’s become our passion. As a wine-driven restaurant, we’re able to speak our language of Italian food and wine, the natural place for us to go.”

Today, Barolo Grill’s wine-to-go program continues to flourish including a Wine Club component consisting of different tiers and price points, created with relationship building in mind. One featuring 3 value-oriented bottles of wine; another, more personalized package, offers 6 or more bottles selected by Fletter or his sommelier, Erin Lindstone. The sommeliers send notes with the wines, providing information about the selections. They also ask for customer feedback on what they’d like in follow-up packages.

In addition, the operation restarted its popular wine-pairing dinner program showcasing wines from renowned Italian vineyards that was paused for 2 years.

The restaurant still sells its by-the-glass wines and cocktails to-go, plus 3-packs of wine, and Spritz Kits of Prosecco for 4.

Fletter says the tenacity and innovation he and his team have demonstrated are his biggest takeaways. “We’ve really connected with our customers and kept ourselves open to what was coming—the ability to fulfill needs and demands and remain flexible knowing rules could change at any time. We’re pioneering something new under temporary guidelines, and hope it continues.”

PROFILE

Cuvée Wine Table and Bristol Bar & Grill

TJ Oakley
Louisville, Ky.

What do you do during a pandemic when your upscale, wine-centric restaurant doesn’t serve takeout and indoor dining isn’t an option?

For T.J. Oakley, the answer was to focus on retail wine sales and grow his business’ wine club, allowing patrons to order bottles of wine to enjoy at home.

Oakley, EVP for Main Street Management, owner of upscale Cuvée Wine Table and casual Bristol Bar & Grille in Louisville, Ky., knew survival would depend on how quickly they could turn their wine sales into a booming retail operation.

“Initially, a push for people to support Kentucky’s local restaurants benefitted Bristol,” he says. “Customers could get carryout and also order wines and pick them up with their food,” he says. “My partner, Scott Harper, and I would be there when they came, and we’d put their boxes of wine in the trunks of their cars, but we knew we needed to add more components.

“When we could [when on-premises restrictions lifted], we started doing tastings at Cuvée, and our wine club—which we started in 2019—really took off during the lockdown, growing to more than 200 members.”

Cuvée’s tastings appeal to serious wine collectors as well as customers interested in learning more about wine, who want to come in to enjoy it and then take some home, Oakley says.

He gets between 150 and 250 guests for each 2-hour tasting or wine club events, and says retail now makes up about 50% of Cuvée’s total sales.

What his restaurant can offer that retail can’t is atmosphere. The restaurant provides a totally different experience because guests at wine dinners not only learn from the winemakers, but they also taste the wines paired with food, he says.

“It’s kind of turned the business around,” he notes. “I don’t think one would work without the other, but these days we almost treat the restaurant-side of things as



an amenity to the retail side because we sell so much wine. We’ve turned a whole wall inside Cuvée into an area where we sell wine, books, and teas.”

At Bristol, Oakley sells wine by the bottle and the glass. He says that when customers order takeout, the staff lets them know they can also make cocktails to-go but adds that more guests are now dining on-premises. Nevertheless, he thinks alcohol to-go will continue driving sales.

He says he envisions adding more of Cuvée’s retail wine components into the mix at Bristol and thinks about possibly growing their retail into larger spaces.

“We’re always trying to come up with creative ways to do business, small things that make a big impact,” he says. “I think we’re going to see more restaurateurs doing [retail sales] in the future. We know our guests are really excited about it. Hopefully, we’ll all continue to grow what we’re doing with this.”

“
We’re always trying to come up with creative ways to do business, small things that make a big impact.”

First Watch

Shane Schaibly
Bradenton, Fla.

Anyone planning to visit a First Watch restaurant for brunch may be thinking about digging into an omelet or French toast, but the Pomegranate Sunrise or Million Dollar Bloody Mary on the menu might grab their attention once they arrive.

Today, First Watch is catering to more customers who enjoy family dining with upscale, creative alcohol-based beverages.

The 40-year-old company has been watching how consumers are changing their dining habits and paying attention to eating and drinking preferences.

“It’s a testament to our leaders, who, after watching alcohol become more widely accepted at breakfast and brunch, agreed we needed to start serving it in our own First Watch way,” says Shane Schaibly, the brand’s corporate chef. “It was a way for us to remain relevant.”

Schaibly calls First Watch a daytime-dining concept—a combination of family and casual dining that serves guests an array of cocktails, mimosas and bloody marys. He says the brand began offering the beverages in 2017, a bold way to separate itself from traditional family-dining competitors.

“It took us 2 years to roll it out nationwide,” he says. “We wanted to understand the trends and see what was happening out there. In the fall of 2019, we acquired our liquor licenses and were ready to go, and then the pandemic hit in 2020. But the ball was already rolling, so we powered through and I’m happy to say we’re offering alcohol service in more than 400 restaurants.”

Schaibly says First Watch’s No. 1 and No. 2 most popular drinks are bloody marys and mimosas, but guests are becoming more adventurous, trying its pomegranate margarita and Cinnamon Toast Cereal Milk drink, made with coconut rum, cold brew coffee, oat milk, and agave nectar. “They’re fun, different, and not what you’re used to seeing from a chain restaurant,” he says. “We’re approaching this program in the same way we do our food: as if we were an independent restaurant.”

The beverages are prepared in the back of the house, batched, and served tableside in bottles.



“We make it as easy as possible for our servers to get drinks to our guests,” he says. “The server only has to grab a glass, put ice in it, garnish it, and bring the bottle to the customer. This eliminates heavy labor steps that exist in a normal bar program since we don’t have bars or bartenders in our stores.”

The chain caters to older, legacy customers, younger consumers, and families, and always looks at ways to keep the program interesting for guests. This spring’s menu includes Spiked Lavender Lemonade, made with vodka, lemon juice, butterfly pea flower tea, and lavender; and Blackberry Bramble Sangria, made with Merlot, mixed berries, apple, orange, and lime.

Schaibly intends to keep experimenting with different flavor profiles and use seasonal fruits to make fun, innovative cocktails.

“We’re known in the industry for our trend-forward approach to limited time offers and seasonal menus and look forward to pushing the envelope,” he says.

“We’re known in the industry for our trend-forward approach to limited time offers and seasonal menus.”

J. Timothy’s Taverne

Tim Adams
Plainville, Conn.

If you ask them, most foodies will tell you J. Timothy’s Taverne has always been the place for great chicken wings, but now it’s also known for an alcohol-to-go program featuring a vast selection of craft beers sold by the can and cocktails by the glass.

According to owner Tim Adams, J. Timothy’s always did a fair amount of to-go food sales—somewhere around 12%–15%—but when the pandemic hit, and the state began allowing the sale of alcohol to-go, the Plainville, Conn.-based restaurant embraced a renewed spirit of entrepreneurship, seeking ways to increase revenues.

One way was to create a general store where everything, including pouches of the restaurant’s famous sangria, margaritas, espresso martinis, craft beers, and even cookies and wing sauce, could be purchased online and picked up curbside.

“The hardest thing was to think retail instead of thinking like a restaurant,” he says. “We recognized consumer patterns were changing dramatically, so we committed to having everything they wanted in one place. We also knew they didn’t want us to be a replacement for the package store down the street. They wanted us to operate like the beer house we are, but also have the pieces they might need at the last minute, and quick access to that beer they couldn’t get anywhere else.”

“Consumers are different about how and when they dine out and how they buy, and we’ve had to change with them.”



Adams says he averages sales of 50–75 to-go beers per week; cocktails to-go sell similarly, about 200 a month. He also sells about 50 sangrias and 8–10 bottles of wine to go each month. J. Timothy’s selection of by-the-can beers is especially popular with younger adult male customers willing to spend between \$5 and \$8 for a specially crafted brew.

“You won’t find any mainstream domestic beers because that’s not what my customers want,” Adams says “We’re catering to guests who like and want beers they can’t easily find, haven’t had in a long time, or haven’t experienced yet.”

Adams has learned a lot since he started selling alcohol to-go. His biggest improvements are hiring staff dedicated to online orders, including memorizing scripts suggesting the purchase of craft beers or cocktails with food, and marketing the products with smart and effective signage.

But the biggest lesson learned has been paying attention to his guests’ changing habits and desires.

“Consumers are different about how and when they dine out and how they buy, and we’ve had to change with them,” he says. “We hope alcohol to-go continues because it allows us to sell things we couldn’t before and give our customers what they want. That, I think, is only going to grow. It’ll be a while before people start hanging out again in bars on weeknights till 10 or 11 p.m.”

In the meantime, Adams intends to keep adding new items to the growing list of retail products he sells. Besides the wing sauce, baked goods, cocktails, craft beers, bottles of wine, and pouches of sangria to-go, he’s selling \$85 bourbon gift baskets as well.

“None of this is a revenue stream that’s going to carry us to the moon,” he says, “and I don’t look at it as adding tons of money to my bottom line. It’s an offset to my other expenses—found dollars.”



PROFILE

Mi Cocina Restaurants

Edgar Guevara
Dallas

Whether frozen or on the rocks, creating the perfect margarita is sacred for Edgar Guevara, president and CEO of the Texas-based, 23-unit Mi Cocina Tex-Mex regional restaurant chain.

It's especially true of the group's Mambo Taxi margarita. Served frozen with a swirl of sangria, the cocktail is one of the most iconic in Dallas, Guevara says, popular with almost everyone of every (legal) age.

"We sell a lot of frozen drinks—great house margaritas and all kinds of cocktails, but the Mambo Taxi drives 95% of our liquor sales," Guevara says. "When the pandemic happened, we thought about how we could sell our drinks on a to-go basis, and as soon as the Governor announced we could sell cocktails to go, we came up with a way to serve them frozen, in mini-split containers with a nonalcohol mix on the side. People could pick them up, fix them for themselves, and enjoy them at home."

The mini-split margaritas soon represented 80% of the restaurants' liquor sales, and Guevara knew he was onto something: there was a market for great-tasting pre-made, to-go frozen alcohol beverages.

There were challenges, however. Guevara was insistent the drinks maintain their in-house quality, and management had to ensure there'd be enough inventory to support demand.



We're determined to replicate the same experience whether they're here or at home—with consistency and quality of product."

Most important was the ability to comply with state requirements when selling alcohol off premises.

"The drinks had to be in containers sealed with black tape so no one could drink them in the car. We wrapped them in branded, black bags sealed with zip ties," he says. "Once everyone knew they could get Mambo Taxis to go, everyone showed up. It was like the floodgates opened."

They sold 2 sizes—10-oz. cups and by the quart. The demand was so high, the company purchased more frozen margarita machines and installed them in every restaurant to keep up. The brand even introduced a skinny version of the Mambo Taxi. Liquor sales jumped almost immediately, and 3 years later, their alcohol-to-go sales continue to grow.

Through trial and error, they learned a few lessons. Frozen margaritas don't maintain their quality in the gallon size and don't pour well, either.

These days, Guevara notes, "We get a lot of people who've invited friends to their homes for parties ordering 8 quarts of Mambo Taxis, chips, guacamole, and salsa.

"I always knew [our program] would be successful, that we'd do well," he says. "Everyone has their favorite restaurants that leave an impression on hearts and in minds. We're determined to replicate the same experience whether they're here or at home—with consistency and quality of product. That's super important to us."

Guevara's team has always been innovative and creative, but he says the biggest lesson everyone's learned is to stay consistent and give customers what Mi Cocina is good at.

"We've learned to stay in our lane, and don't do the things we can't do. We've focused on margaritas because that's what we're really good at."

PROFILE

Washington Prime

Rob Moss
Norwalk, Conn.

Washington Prime is not your grandfather's steakhouse. While the upscale Norwalk, Conn., restaurant is known for the prime beef it serves, it also caters to a variety of palates—American, seafood, vegetarian, vegan, and even small plates. That's perhaps one reason for its popularity among women and younger customers, says Rob Moss, president and co-owner.

But a big ingredient in its success might just be the upscale, yet affordable, wine-to-go program he and his partners started in 2020, after the pandemic began.

"It's all kind of a blur now, but back then, when the law changed in Connecticut, allowing us to sell drinks to go, customers could go into local restaurants and not only buy a cocktail or glass of wine to go, they could also get a bottle of wine or liter of liquor," Moss says. "When we started alcohol to-go sales, we saw people placing not \$100, but \$500 orders. They wanted glasses of our wines and cocktails, but also ordered our batched cocktails—4 margaritas or espresso martinis—and food. People were buying them left and right during that COVID-19 period."

As time progressed, and even as customers started returning to dine indoors, Moss says to-go sales remained robust, particularly among guests who wanted to sample upscale varietals in Prime's by-the-glass program. The trend continues today.

"You know, some of our customers will order a \$25 burger online, come in to pick it up, and see a glass of wine priced at \$40 that they'd like to try," he says. "This has become very popular with people who live in apartments in our South Norwalk neighborhood, young solo professionals in their 30s who have some disposable income and want to try a high-end wine but would rather spend \$65 for a glass instead of \$300 for the bottle. They're willing to splurge a little, and it's great for us because we move some of our inventory, increase the average check, and they get to try wines they wouldn't find in their liquor store without having to buy the whole bottle."



He also says that participation in the restaurant's monthly wine-pairing dinners, which resumed last year, has increased, especially among its young professional customers.

"Since COVID-19, people are just trying different things," he says. "Before, younger guests didn't seem like real wine drinkers. They weren't buying expensive bottles of wine at the restaurant. Now, they're buying French and Italian, despite prices going up because of import taxes."

As Washington Prime considers its future, Moss says the group, which is about to open a new restaurant, will continue operating its alcohol-to-go program as long as the law remains in place. This summer he'll introduce customers to a new flight of by-the-glass rosés as well as more batched cocktails to-go.

"It's working out really well," he says. "It's additional revenue for us and added value for our customers."



It's additional revenue for us and added value for our customers."

Methodology

Consumer Survey: The National Restaurant Association commissioned Engine to conduct an online survey of 1,900 adults aged 21+ in December 2022.

Restaurant Operatory Survey: The National Restaurant Association conducted an online survey of 3,000 restaurant owners and operators in November-December 2022.

Restaurant segment definitions:

The survey data in this report categorizes restaurants into 2 broad concepts: tableservice restaurants and limited-service restaurants. Within each segment, there are 3 categories of concepts:

| Tableservice restaurants | Limited-service restaurants |
|--------------------------|-----------------------------|
| -Family dining | -Quickservice |
| -Casual dining | -Fast casual |
| -Fine dining | -Coffee & snack |

When responding to the Association's surveys, restaurant operators are asked to self-classify their operation into one of these 6 categories. In this report, survey results for limited-service restaurants are presented for the combined segment, due to the relatively low proportion of establishments that offer alcohol beverages.

Definition of Generations in this report:

Gen Z Adult (age 21-26)

Millennial (age 27-42)

Gen Xer (age 43-58)

Baby Boomer (age 59-77)

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