



Numerator

NEW FRONTIERS

Click and Sip: The Rise of Online BevAlc Shopping

Online & Delivery Alcohol Sales have grown dramatically as a result of COVID-19 Restrictions

Associated Press

U.S. online alcohol sales jump 243% during coronavirus pandemic

Published: April 2, 2020 at 11:21 a.m. ET

States Boost Hospitality Industry With Booze Delivery and Takeout Sales

Maryland, New Hampshire, New York and Texas are among the states attempting to assist a struggling industry with new alcohol sale allowances during the coronavirus pandemic.

4,224 views | Apr 9, 2020, 11:24am EDT

Online Alcohol Sales Are Rising, But Will It Be A Long-Term Change?



Thomas Pellechia Contributor

Food & Drink

Experienced independent writer with a background in the wine industry.

Coronavirus: How the pandemic is relaxing US drinking laws

By Marianna Brady
BBC News, Washington

15 May 2020



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How The COVID-19 Pandemic Is Upending The Alcoholic Beverage Industry



Joseph V Micallef Contributor

Spirits

I write about wines and spirits and the hidden corners of the world

People are buying more booze online than ever before



By Jordan Valinsky, CNN Business

Updated 3:16 PM ET, Wed April 22, 2020

Alcohol, beer and wine delivery: How to get alcoholic beverages delivered to your door

Many states relaxed alcohol delivery laws as liquor stores are deemed essential during the coronavirus pandemic. Here's how to find a service you can use in your area.



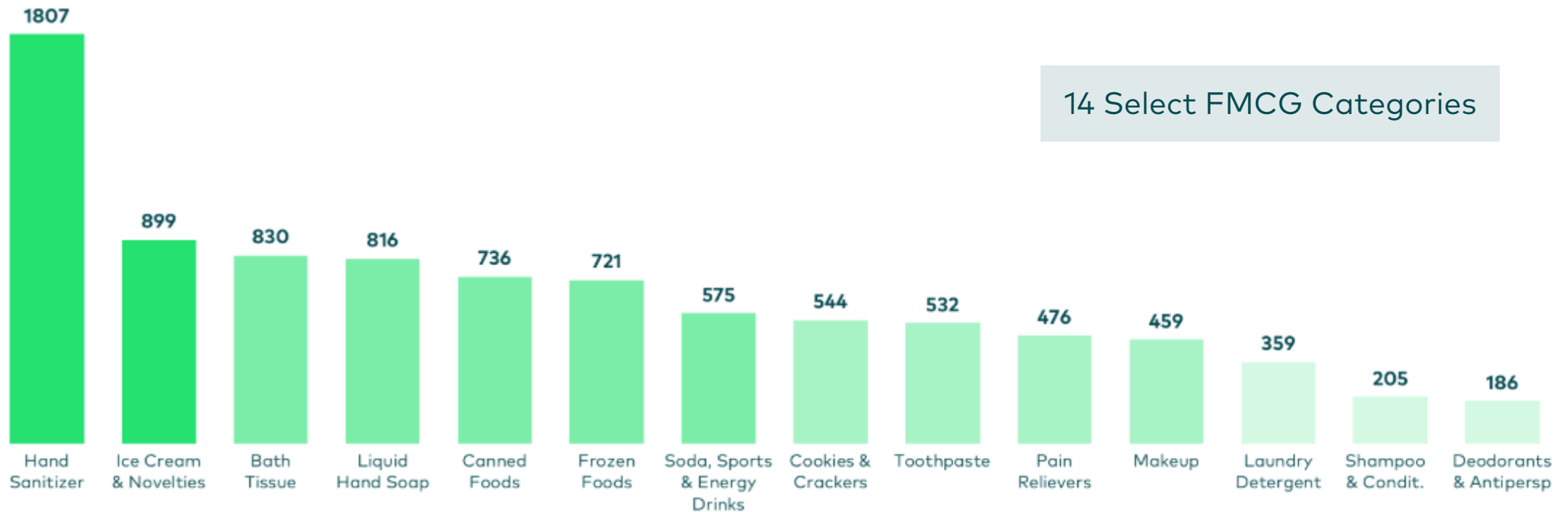
Alison DeNisco Rayome May 7, 2020 9:00 a.m. PT



eCommerce adoption has accelerated tremendously since COVID-19, with adoption across many categories growing by 4x or more

Online Acceleration Index

Rate of HH's purchasing category online vs. multi-year pre-COVID baseline

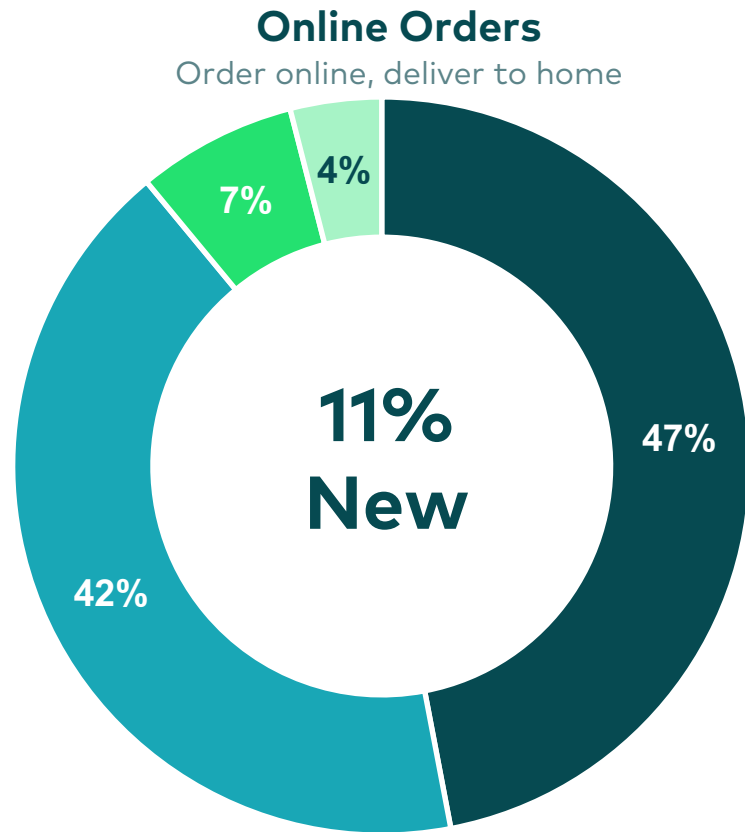


Source: [Numerator eCommerce Acceleration Index](#)

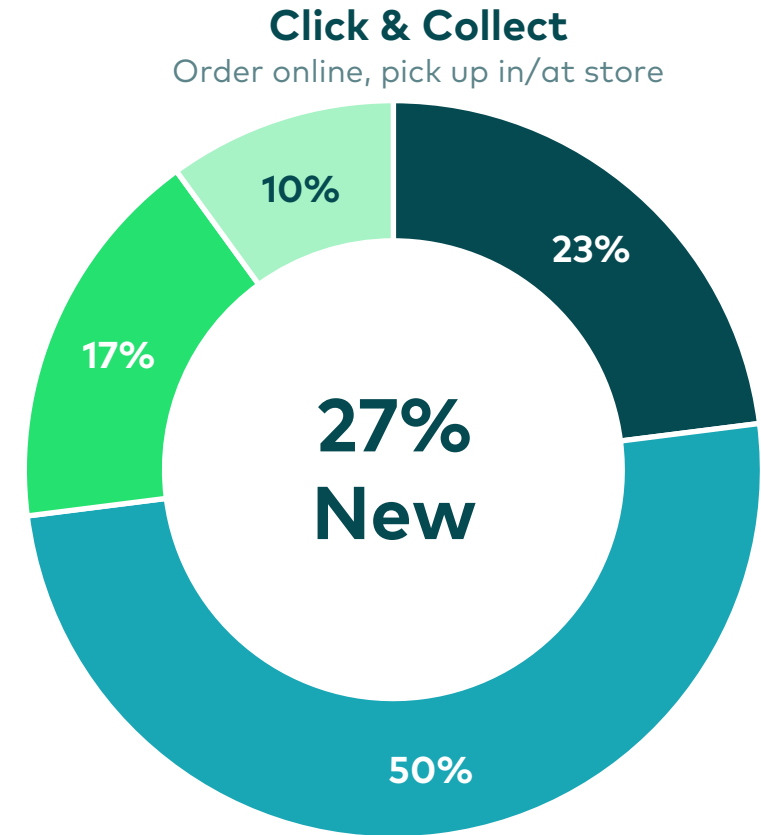
In particular, Click & Collect has gained significant adoption as a result of COVID-19 lockdowns

Which of the following best describes your purchase?

% of shoppers who made an online or click & collect purchase in the past month



- Normal part of routine
- Use it occasionally
- First time in the last 6 months
- First time ever



But what does this accelerated online adoption mean for a highly-regulated category?

Background

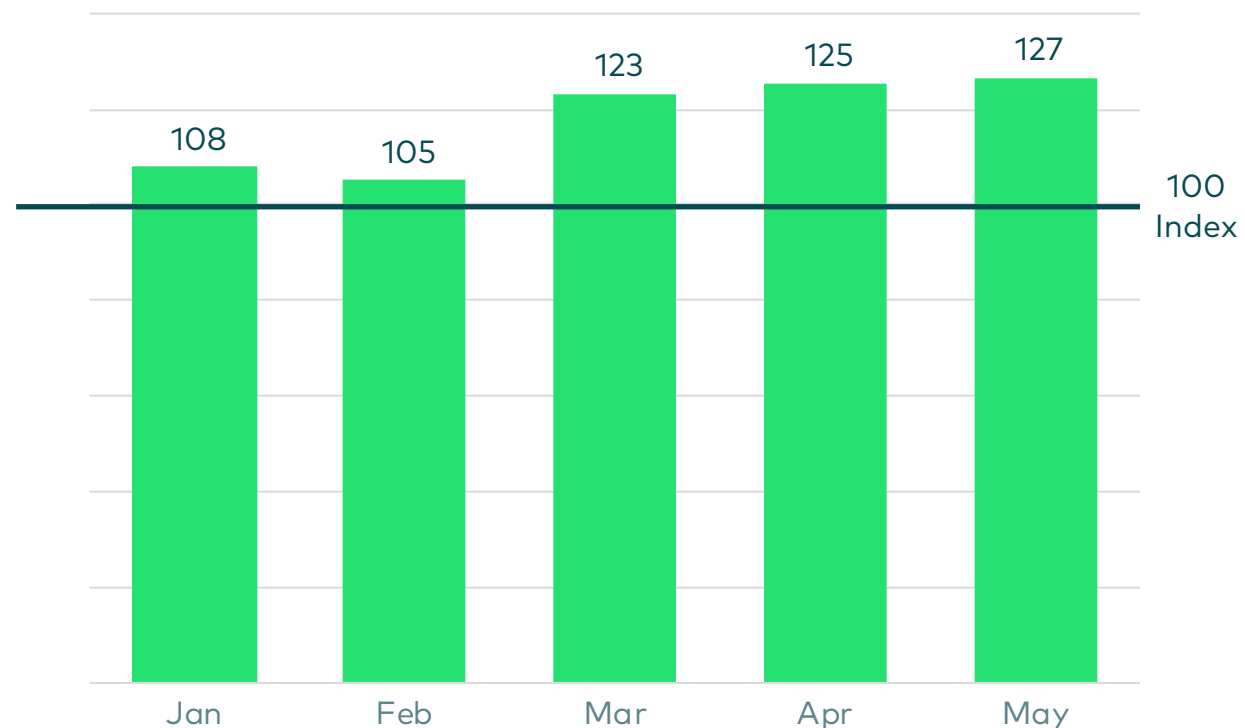
The COVID-19 pandemic has had a significant impact on shoppers' alcohol consumption habits. As on-premise consumption was restricted, consumers began purchasing more alcohol for consumption at home – leading to significant sales growth across Brick & Mortar and Online retail outlets.

However, the eCommerce landscape for alcoholic beverages is highly fragmented and difficult to quantify – with an array of third party delivery services, localized regulations and competition, and a blend of both traditional and non-traditional retailers and services.

Source: Numerator Insights Panel

Monthly Projected Alcohol Sales

All FMCG Retailers, Index to Year-Ago

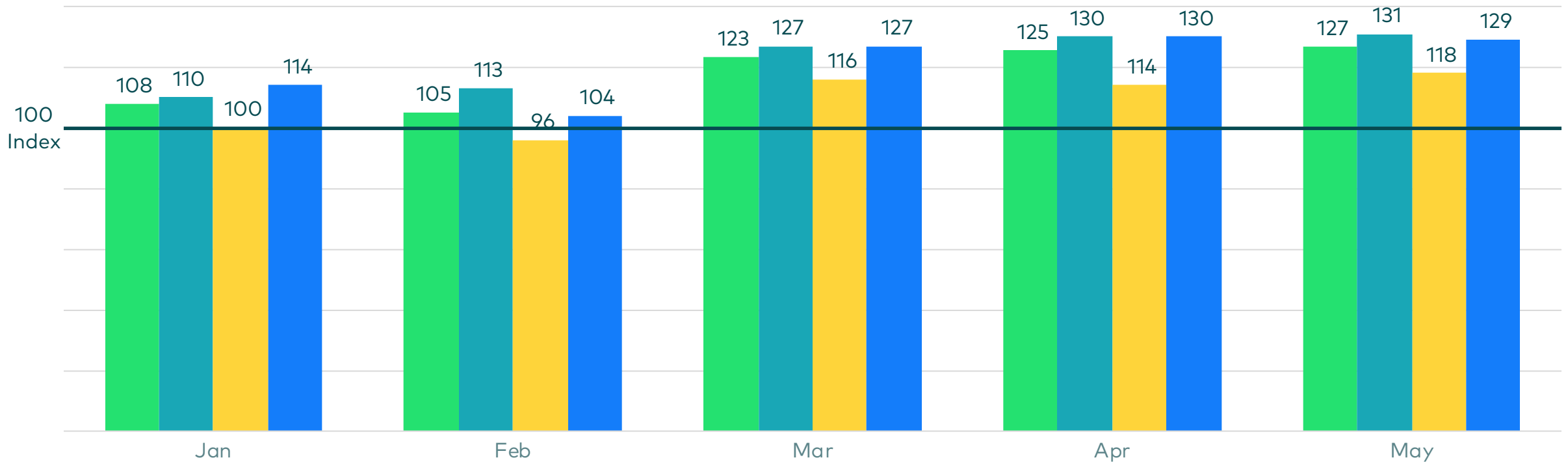


Growth of alcohol sales at B+M stores is coming from beer and spirits, with wine trailing slightly

Monthly Projected Alcohol Sales

All FMCG Retailers, Index to Year-Ago

■ Total ■ Beer ■ Wine ■ Spirits



Let's review the current online alcohol market

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Alison DeNisco Rayome May 7, 2020 9:00 a.m. PT



Over 70% of states across the country have taken steps to loosen their previous restrictions on alcohol pickup and delivery

California Can Now Sell Cocktails To Go, but Only With Food

Last night, California's Alcoholic Beverage Control eased alcohol delivery restrictions from restaurants

by [Mona Holmes](#) and [Eve Batey](#) | Mar 20, 2020, 1:16pm PDT

Abbott says he will support bill to make to-go alcohol permanent

Published 3 days ago | Texas | FOX 4

PA Now Allowing Limited Online Wine and Liquor Sales

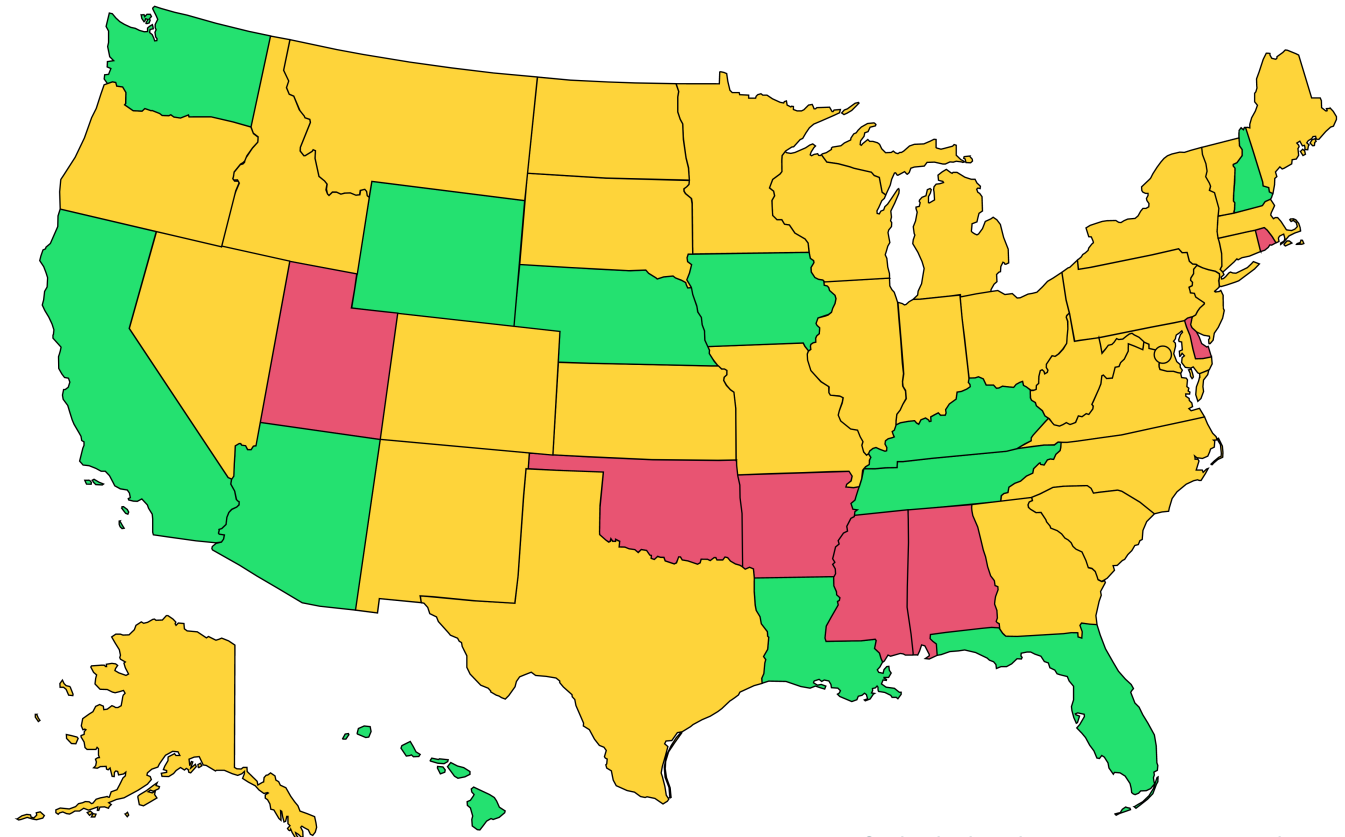
By [Josh Popichak](#) | April 2, 2020

Michigan lawmakers say cheers to carry-out cocktails at restaurants, bars

[Emma Dale](#), [Detroit Free Press](#) | Published 5:39 p.m. ET June 24, 2020

Gov. J.B. Pritzker signs 'cocktails to go' into law

By [JAMIE MUNKS](#)
CHICAGO TRIBUNE | JUN 02, 2020 AT 4:45 PM



State Laws of Alcohol Delivery During Normal Times:
Allow for Delivery of All Alcohol
Allow for Delivery of Beer and Wine
Don't allow for Delivery of Alcohol

Consumers have tapped into Click & Collect and Delivery Apps for alcohol purchasing as well as expanded to purchasing directly from local restaurants and producers

CLICK & COLLECT
FOOD, MASS &
LIQUOR



THIRD PARTY APPS,
SUBSCRIPTIONS &
ONLINE RETAILERS



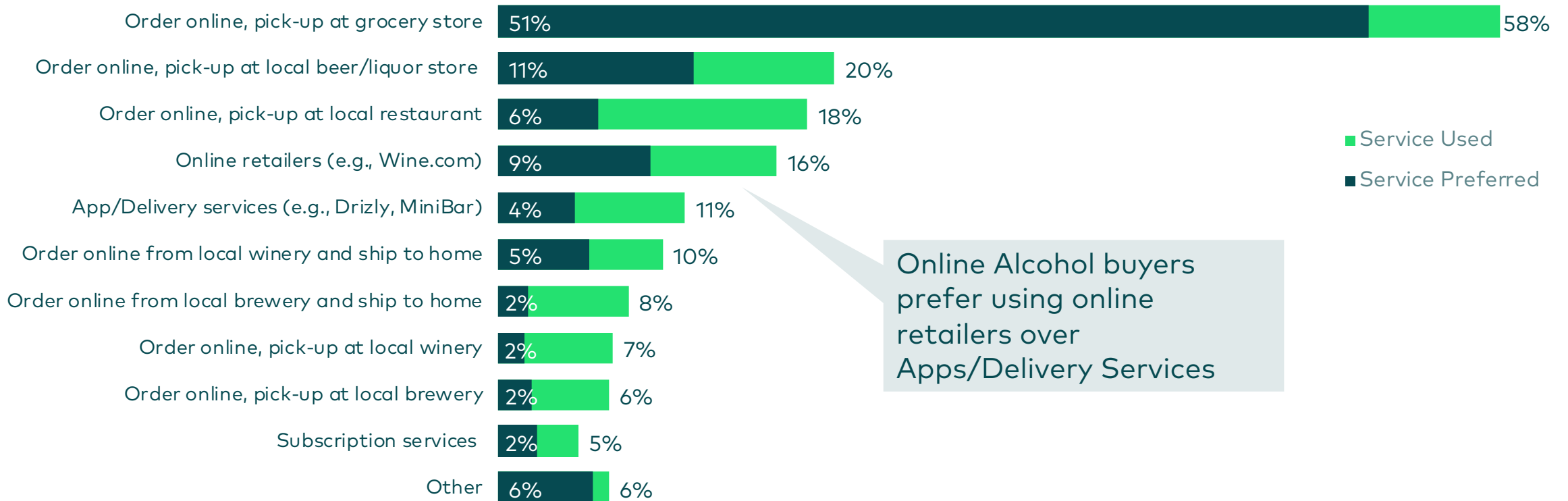
LOCAL
RESTAURANTS/BARS &
WINERIES, BREWERIES,
DISTILLERIES



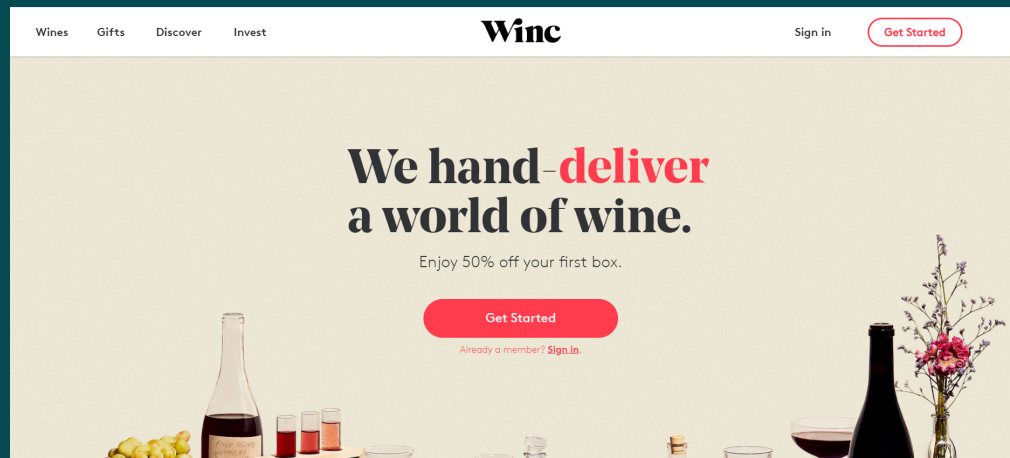
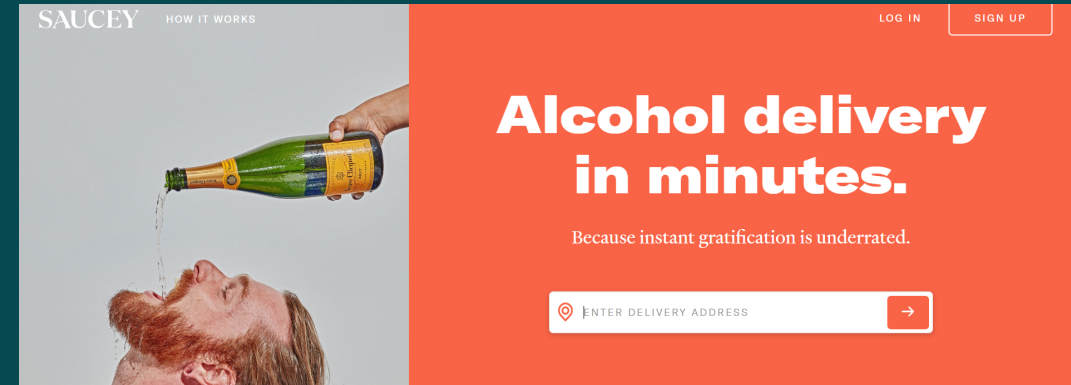
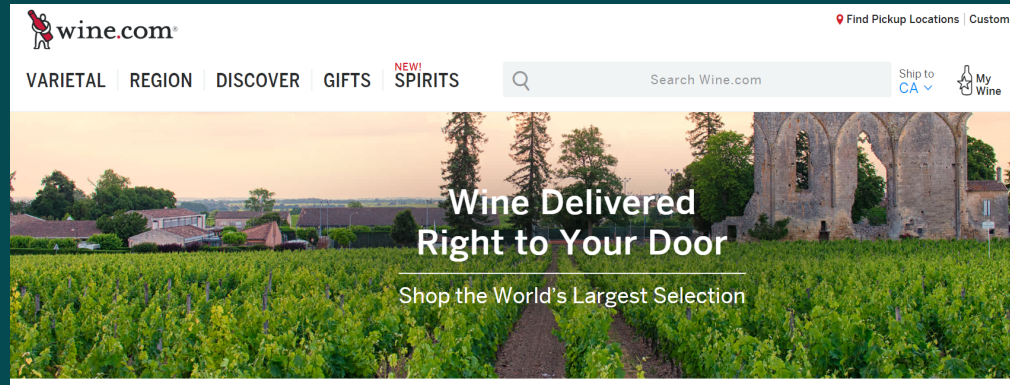
Within the variety of options, Click & Collect is the most common online purchase method for alcohol – from grocery & liquor stores as well as restaurants

Preferred Online Alcohol Service

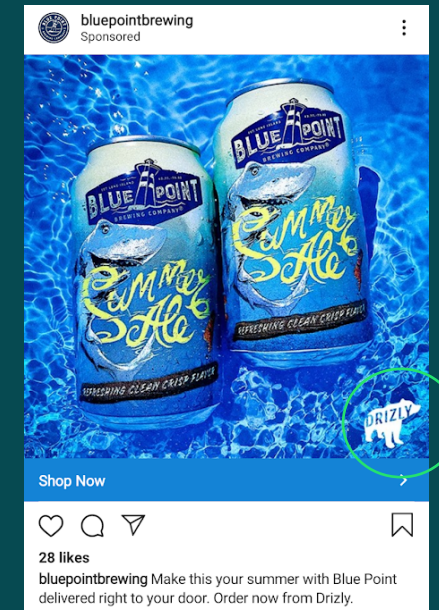
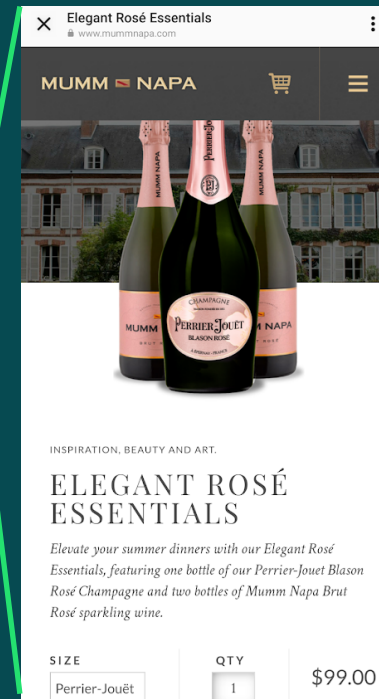
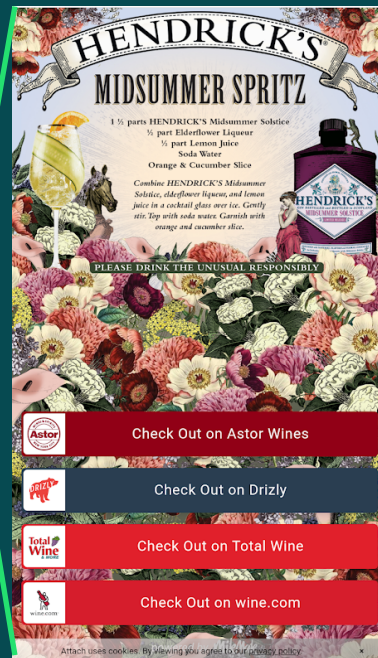
Of the services you have used in the past, which is your most preferred method of ordering alcohol online?



Online Retailers, Third-Party Delivery Apps and Subscription Services are promoting the ease and convenience of their services and without directly addressing COVID-19



Social media ads and brand websites conveniently redirect to online retailers, third-party delivery services, or the brand's own DTC page



Retailers have promoted a range of buying options and deals on alcohol during COVID-19 from in-store to Click & Collect to Delivery


Ship, Sip, Hooray
Get \$40 Off 12-Bottle or \$20 Off 6-Bottle Wine Collections Sent to Your Door

[Shop Now](#)



SAVE \$15
on Wine Packs Shipped to Your Door

[Shop Now](#)



Up to \$30 Off Wine Shipped to You



Save \$2.00 on Bud Light®, Budweiser®, Michelob ULTRA® or Bud Light Platinum® when you purchase ONE (1) Bud Light® or Budweiser® 24-pack OR ONE (1) Michelob ULTRA® or Bud Light Platinum® ... Exp. Jun. 06

[Shop All Items](#) [Sign In To Clip](#)

[In Store](#) | [Pickup](#) | [Delivery](#) | [Ship](#)



Save \$8.00 on Maker's Mark, Basil Hayden's, Knob Creek, or Jim Beam when you buy TWO (2) bottle of Maker's Mark, Basil Hayden's, Knob Creek, or Jim Beam Premium Bourbon ... Exp. Jul. 21

[Shop All Items](#) [Sign In To Clip](#)

[In Store](#) | [Pickup](#) | [Delivery](#) | [Ship](#)

And brands have also started highlighting delivery & pickup in their online and broadcast advertising

ORDER ONLINE FOR CURBSIDE PICKUP OR DELIVERY
SHOP NOW
instacart
DRIZLY
12 12 FL. OZ. 355ML CANS
BUD LIGHT SELTZER
VARIETY PACK
5% 100
RESTRICTIONS MAY APPLY. CONTAINS ALCOHOL. ENJOY RESPONSIBLY. ©2020 ANHEUSER-BUSCH. BUD LIGHT™ SELTZER, HC BEER (BREWED IN TN), ST. LOUIS, MO 63118

Crown Royal
GET FAST DOOR-TO-DOOR DELIVERY
BUY NOW
DRIZLY
PLEASE DRINK RESPONSIBLY.
CROWN ROYAL Blended Canadian Whisky. 40% Alc/Vol.
The Crown Royal Company, New York, NY.

RED LABEL DELIVERED DIRECT TO YOUR DOOR
RED LABEL
DELIVERED DIRECT
TO YOUR DOOR
JOHNnie WALKER
RED LABEL
SCOTCH WHISKY
40% ALC/VOL
750 ML (25.3 FL OZ)
©2020 J&F WALKER LTD. ALL RIGHTS RESERVED. IMPORTED BY THE HOUSE OF SEAGRAM, NEW YORK, NY.

MEIOMI FLAVOR FORWARD
CHOOSE YOUR DELIVERY
instacart DRIZLY
MEIOMI
Pinot Noir
Please Enjoy Our Wines Responsibly. ©Meiomì Wines, Acampo, CA

BLUE MOON
REGULAR WHITE
12 12 FL. OZ. 355ML CANS
instacart
DRIZLY
CELEBRATE RESPONSIBLY®
©2020 BLUE MOON BREWING COMPANY, GOLDEN, CO • FLAVORED ALE

Coors LIGHT
AVAILABLE FOR DELIVERY
instacart DRIZLY
CELEBRATE RESPONSIBLY®
RESTRICTIONS MAY APPLY. CONTAINS ALCOHOL. ENJOY RESPONSIBLY. ©2020 COORS BREWERY, BREWED IN CO. THE COORS COMPANY, BREWERY, BREWED IN CO.

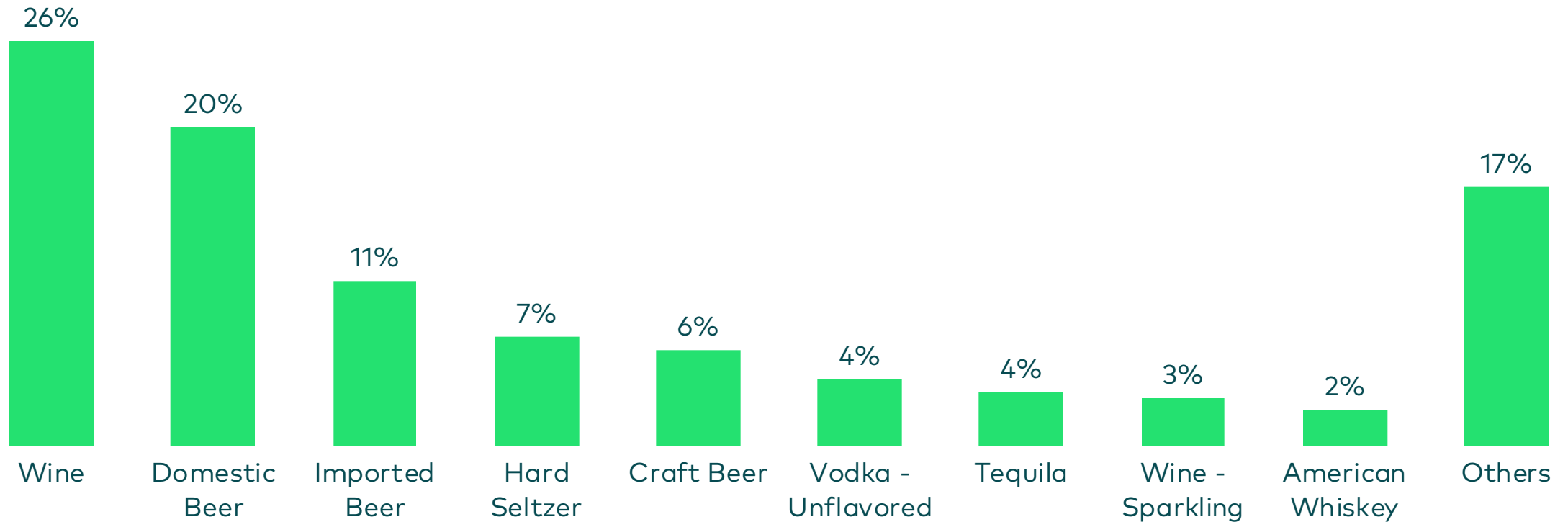
Corona Extra
Choose Your Delivery
instacart DRIZLY
Relax responsibly®.
Corona Extra® Beer. Imported
©2020 CERVEZERIA MODELO MEXICO S.A. DE CV. ALL RIGHTS RESERVED.

Miller Lite
AVAILABLE FOR DELIVERY
instacart DRIZLY
Not available in all states. Visit MillerLite.com/buybeersonline for more details.

Alcohol Promotions during COVID-19 have been dominated by wine and domestic beer, followed by imported beer and hard seltzer

% Category Share of Alcohol Promotions

3 months ending 5/31/2020



Source: Numerator Promotions Intel, P3M . Total Retailers.
Media Types: Circular, Bonus Pages, Online Webpage

So, who is the online buyer of alcoholic beverages?

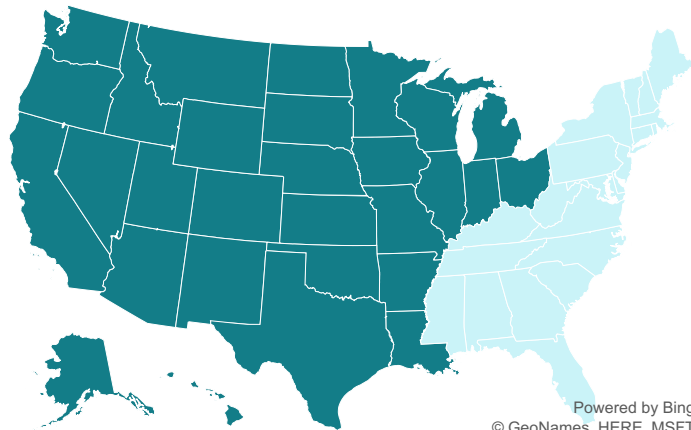
Income and location are the largest differentiator of shoppers buying alcohol online vs. those that are only buying in B&M



High Income



Urban/Suburban



Powered by Bing
© GeoNames, HERE, MSFT

Living in central and western states



- Young Gen-X
- Families with children



- Adult Couples

Not surprisingly, shoppers who purchase alcohol online are more engaged in online shopping in general

Index vs. Non-Buyers of Alcoholic Beverages Online

143

Making online purchases
weekly

126

Find online shopping
enjoyable or very enjoyable

122

Do product research online
regularly

132

Online shopping saves me
money

154

I buy in bulk online

61

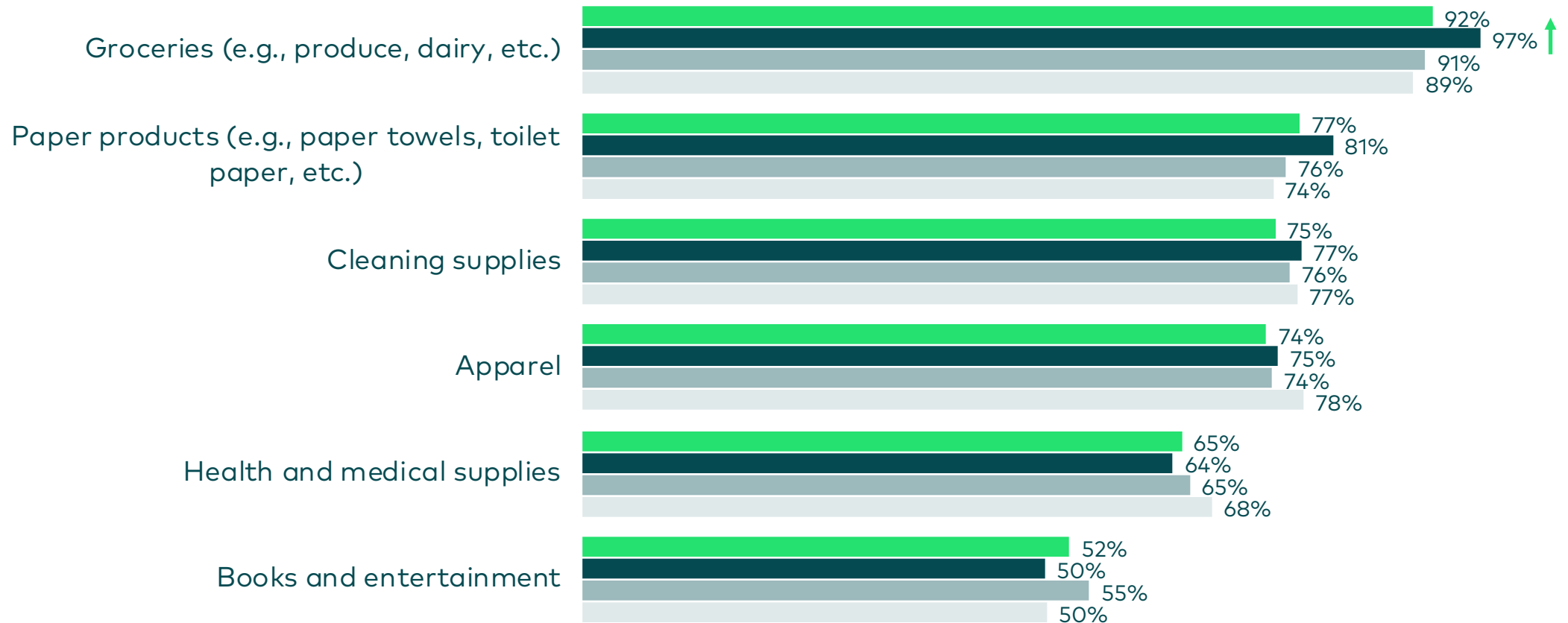
Prefer physical stores

They are highly engaged digital shoppers – buying online across categories

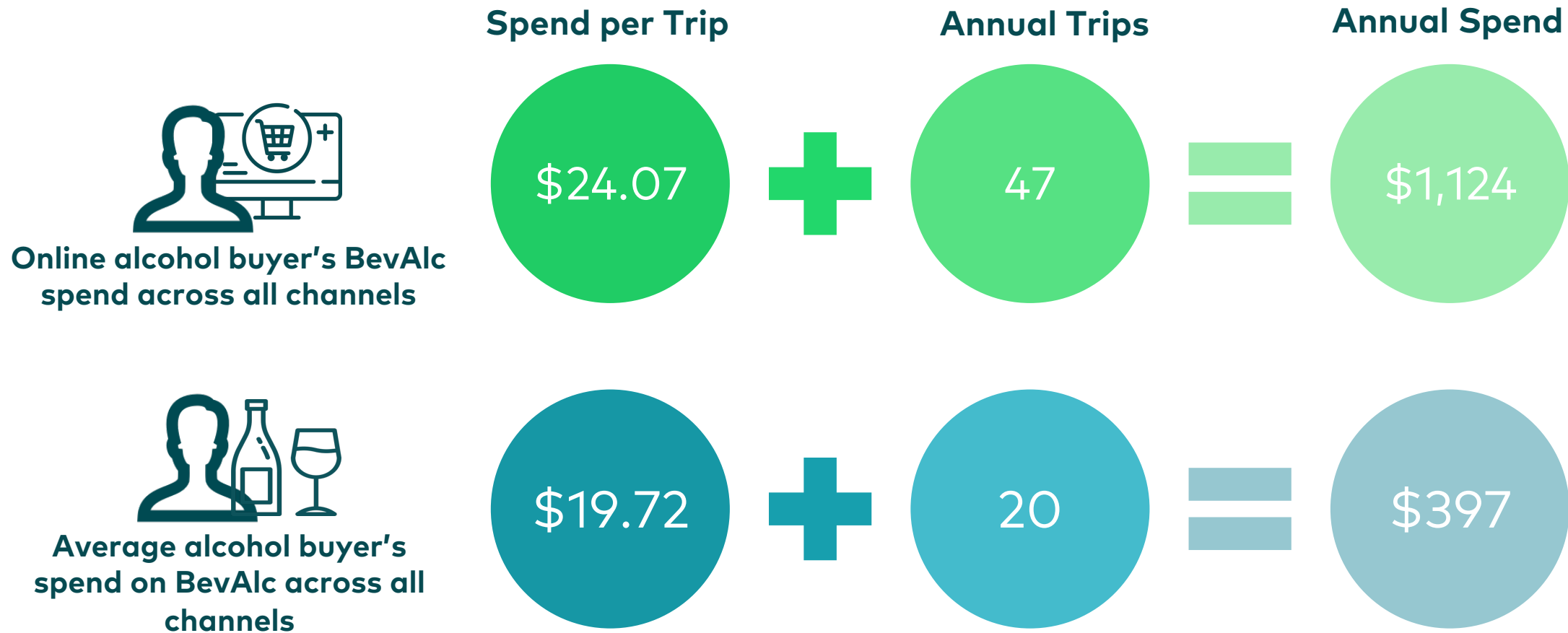
Categories Purchased Online

Which of the following, if any, have you purchased online in the past 3 months?

■ Total ■ Beer Shoppers ■ Wine Shoppers ■ Spirits Shoppers



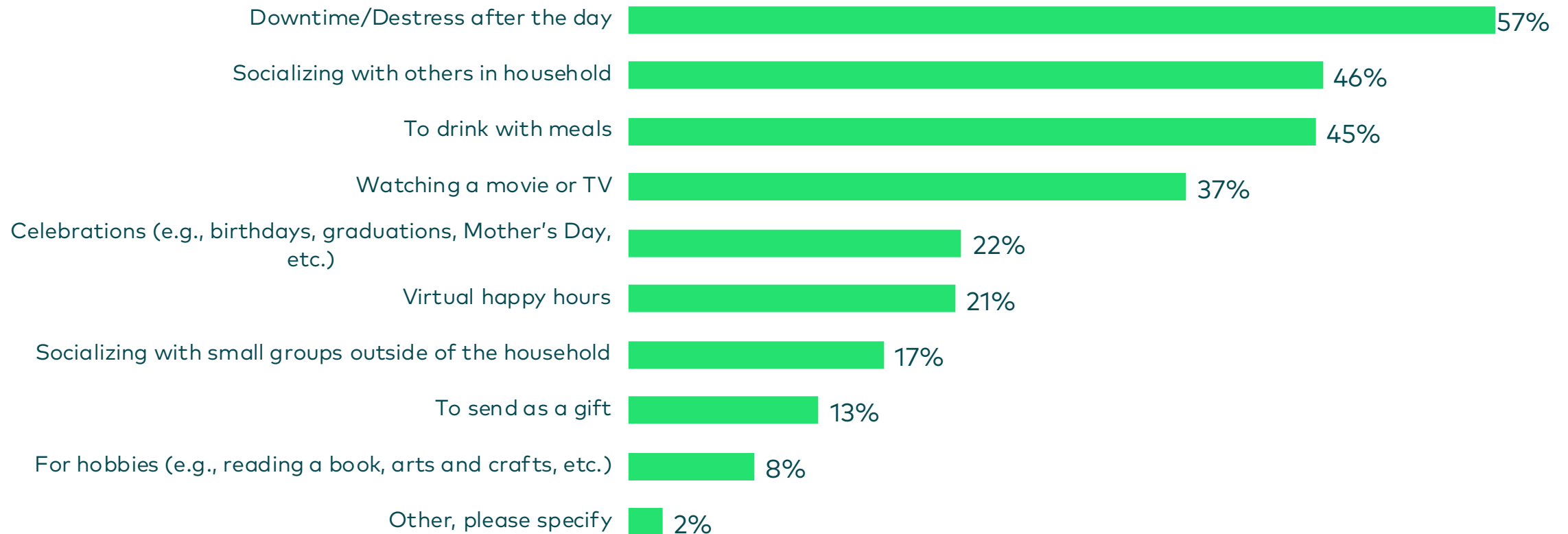
Shoppers who buy alcohol online spend almost 3x more than the average alcohol buyer, spending 26% more per trip!



Shoppers are purchasing alcohol online mostly for daily activities like relaxing, socializing at home, and to consume with meals

Purchase Occasions

For which of the following occasions have you purchased alcohol online for?



**What has online buying looked like over the past
3 months?**

COVID-19-related restrictions led to many buyers purchasing alcohol online for the first time – many of whom have done so frequently

60%

of online alcohol buyers made their first online purchase due to COVID-19 Restrictions

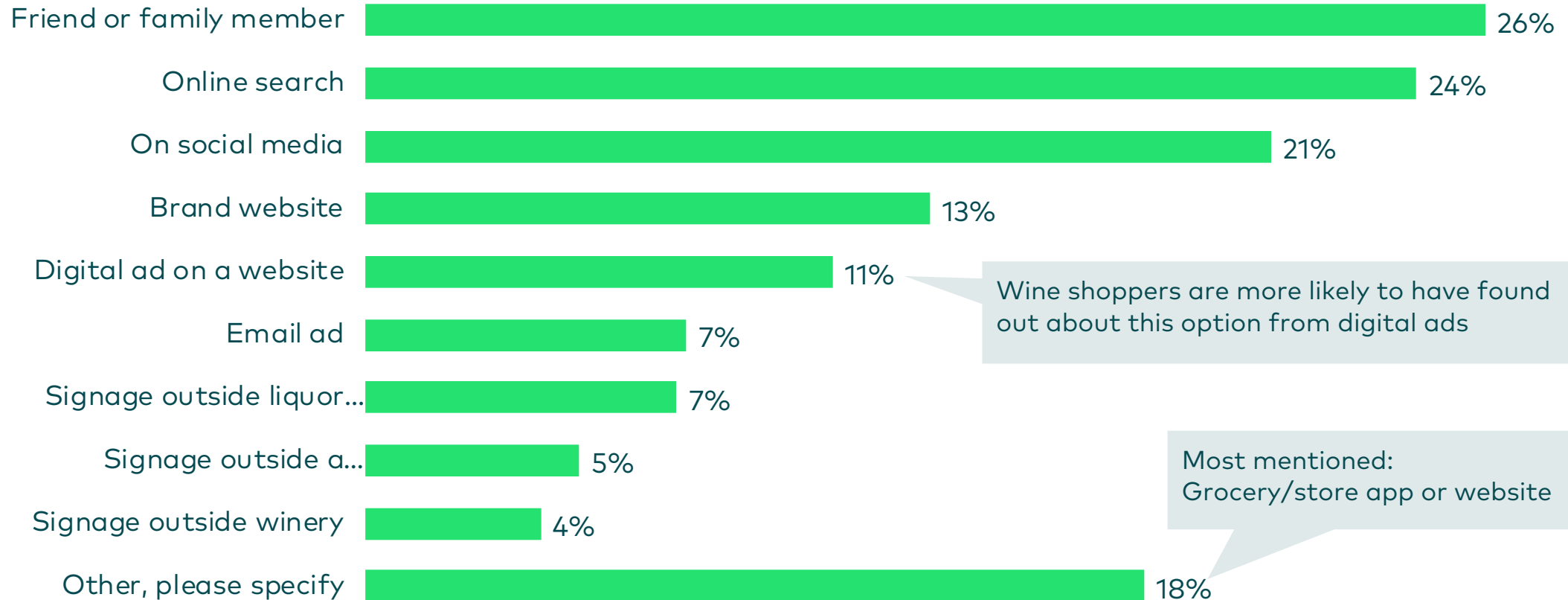
45%

have purchased alcohol online on a monthly basis or more frequently

The majority of shoppers learned about the option to buy alcohol online from family/friends, online search, or social media

Awareness of Purchasing Alcohol Online

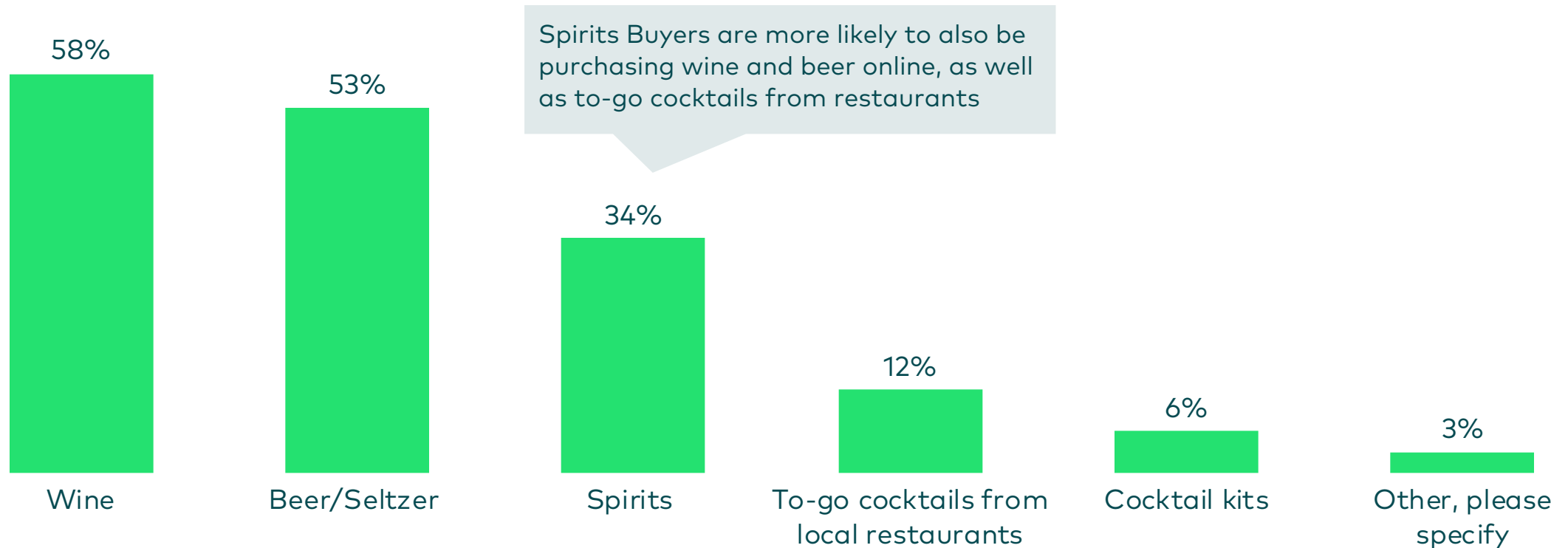
How did you become aware that you could purchase alcohol online?



Beer & wine are the most commonly purchased online; still, 1/3 of buyers have purchased spirits

Which of the following, if any, have you purchased online in the past 3 months?

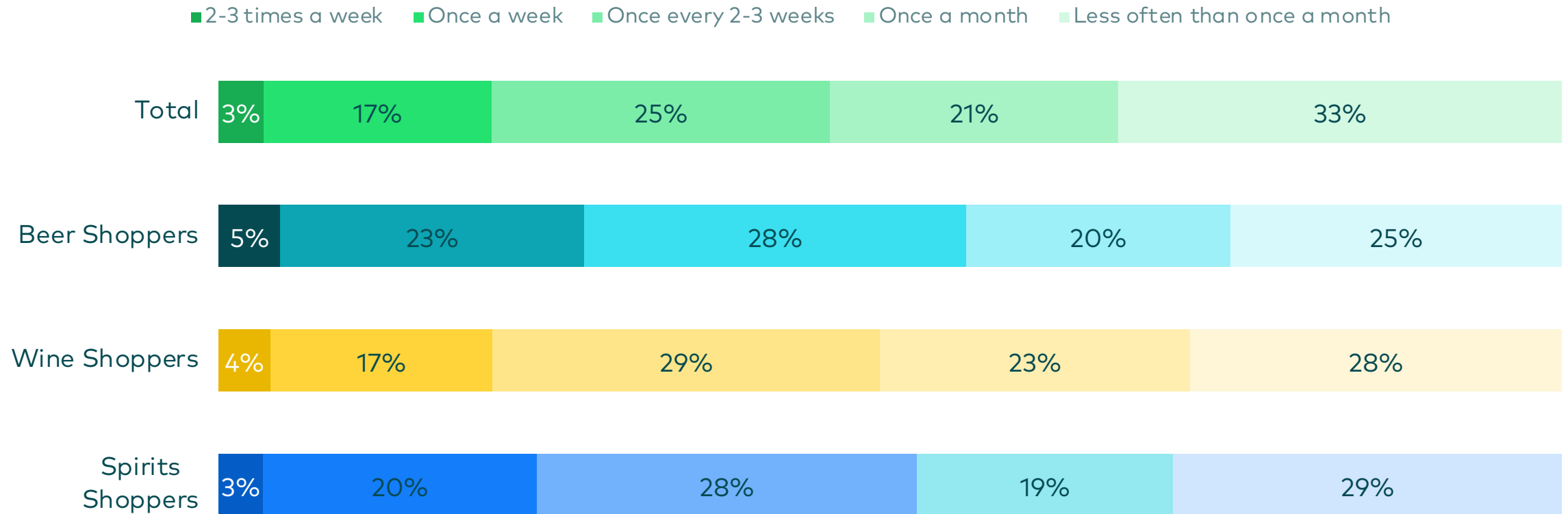
Select all that apply



Over the past 3 months, 1 in 5 shoppers purchased alcohol online at least once a week, but for beer & spirits it was closer to 1 in 4 shoppers

Purchase Frequency

Thinking about the past 3 months, how often have you been purchasing alcohol online?

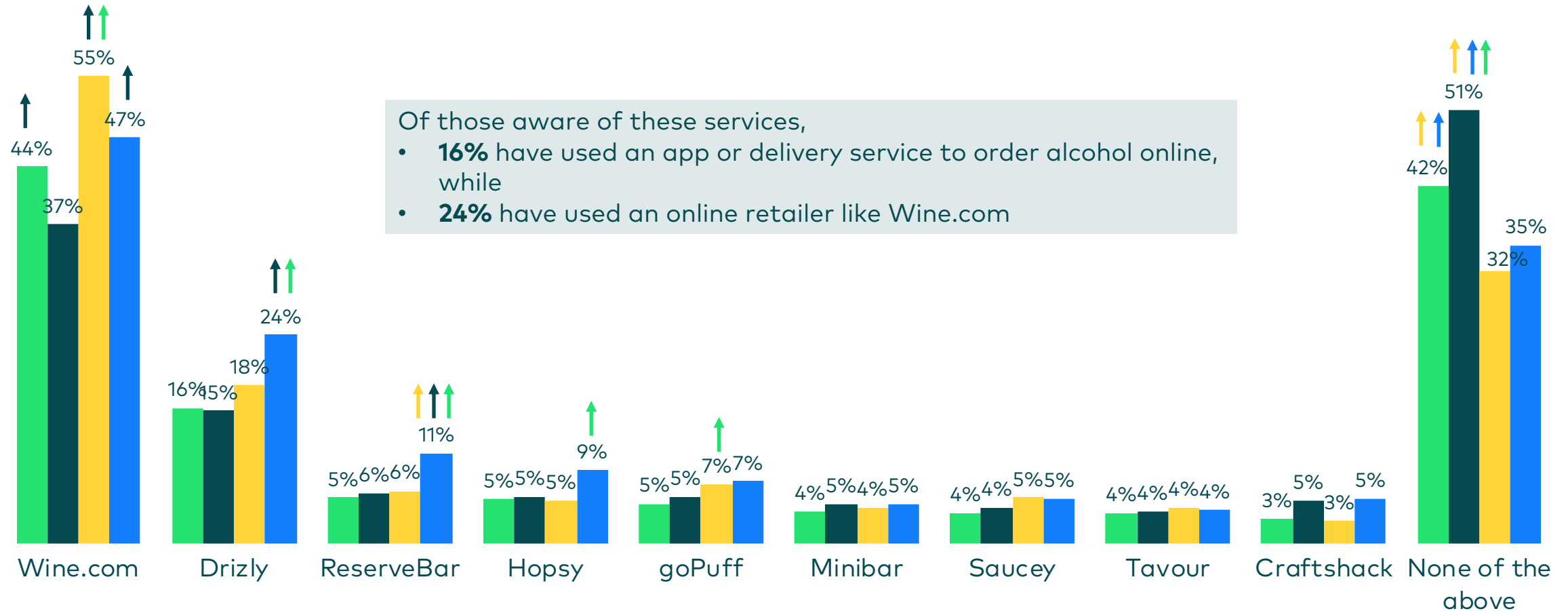


As for delivery services apps, awareness is lowest among beer shoppers – over half have never heard of these!

Awareness of Online Retailers & Services

Which of the following, if any, online services are you aware of for alcoholic beverages? *Select all that apply*

■ Total
■ Beer Shoppers
■ Wine Shoppers
■ Spirits Shoppers



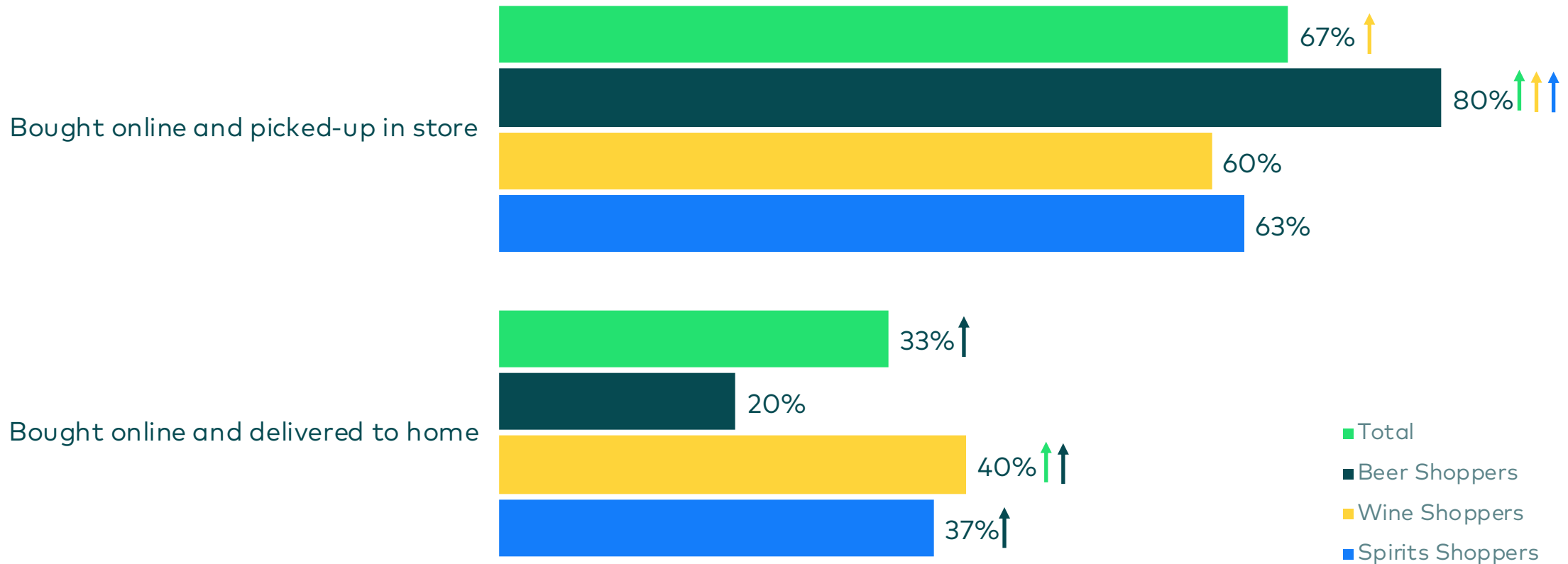
Of those aware of these services,

- **16%** have used an app or delivery service to order alcohol online, while
- **24%** have used an online retailer like Wine.com

Beer is most likely to be purchased through Click & Collect, while wine is more likely to be purchased for delivery

Most Recent Purchase

Thinking of your most recent online alcohol purchase, which of the following best describes that purchase?



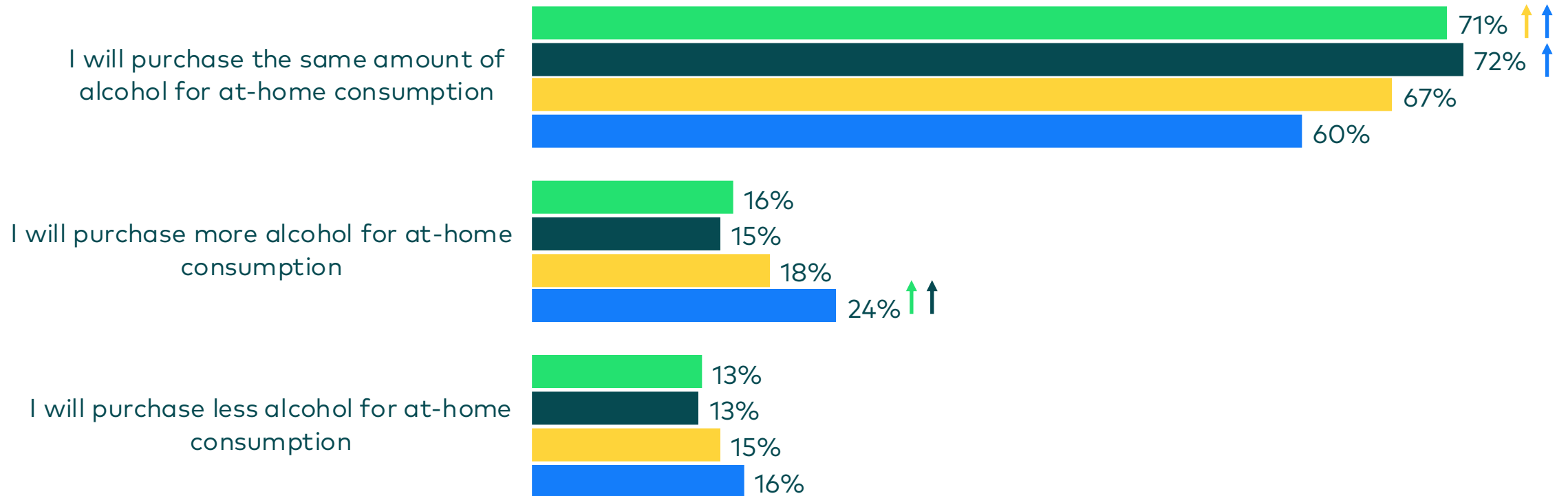
What does this mean for brands & retailers?

Almost 1 in 5 wine shoppers and 1 in 4 spirits shoppers plan to purchase more alcohol to consume at home as states re-open

Future Alcohol Consumption

Thinking about the COVID-19 pandemic, once restrictions are lifted and things start to reopen, how, if at all, do you expect your at-home consumption of beer/wine/spirits to change?

■ Total ■ Beer Shoppers ■ Wine Shoppers ■ Spirits Shoppers



And, although in-store remains the top choice, 3 in 5 shoppers either prefer purchasing online or are open to being convinced

In-Store vs. Online Preference

Which of the following best describes you?



“ Ability to browse and compare items easily ”
“ Able to browse, read labels, find better substitution ”
“ So I can look at exactly what I’m buying ”

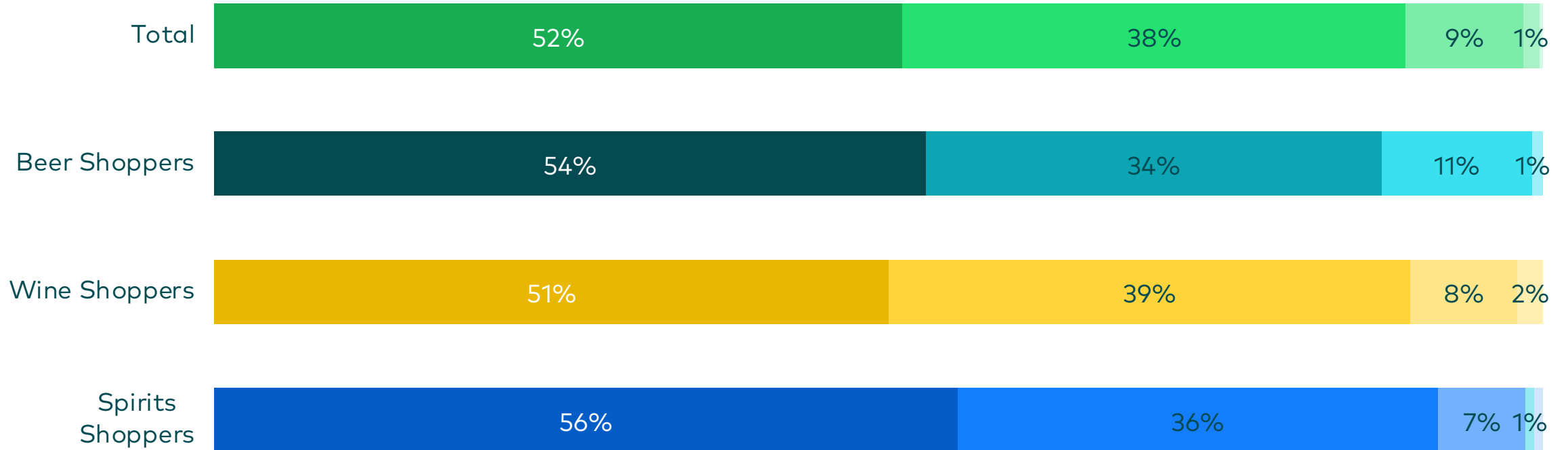
“ Easy and convenient, safer ”
“ Avoiding human contact. Even before COVID-19. ”
“ When I know what I want, it's way more convenient ”

The majority of online buyers have had a positive experience

Experience of Purchasing Alcohol Online

How would you rate your most recent experience purchasing alcohol online?

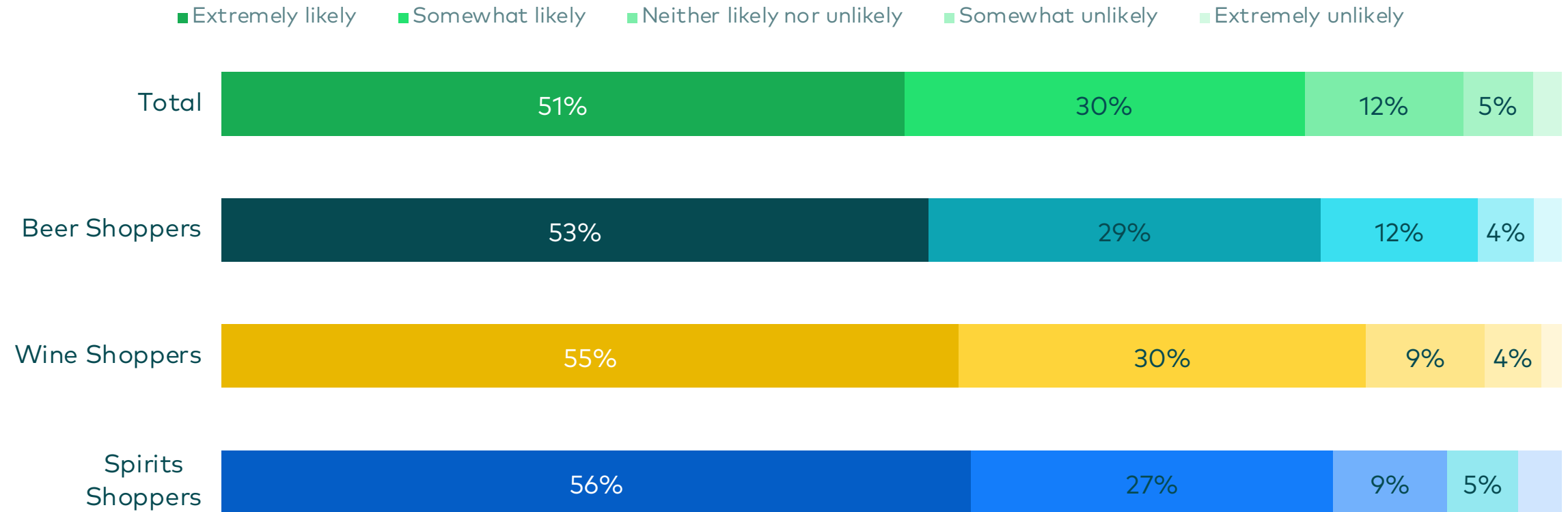
■ Excellent ■ Good ■ Average ■ Poor ■ Terrible



...which can lead to sticky behavior: over 80% say they are at least somewhat likely to repurchase online

Likelihood of Purchasing Alcohol Online Again

Based on your most recent experience, how likely or unlikely are you to purchase alcohol online again in the future?



So, reaching these shoppers through their mobile device is key!

Index vs. non-buyers of BevAlc online:

171

Online mobile devices is the **most influential touchpoint**



Platforms where they over-index



148

Identify as an **impulse buyer**

123

Identify as an **display browser**

Build an online strategy that targets **impulse purchases** both through online advertising in multiple platforms as well as sponsored listings within retailers' websites

What's next for **brands**?

- **Talk to retail partners** about their Click & Collect service and strategy and work to optimize your brand's position in search results and sponsored listings
- Assess assortment and marketing on **third-party delivery apps** and how this compliments similar efforts with retailers
- Invest in a **digital strategy** to reach shoppers that are already highly engaged in online shopping in order to drive impulse purchases
- As different areas move throughout the phases of re-opening, consider a **localized strategy** in those markets where on-premise consumption remains limited

What's next for **retailers**?

- Be prepared for increased demand for alcohol via Click & Collect **beyond the pandemic**
- Ensure marketing & assortment appeals to the **new Click & Collect shoppers** who are higher income, Gen X families or adult couples. Use Numerator panel data to identify what they normally purchase in-store across channels to help inform assortment
- Learn more about **lapsed & leaked shoppers** through panel data and survey to identify areas of improvement in capturing these shoppers
- **Continue driving awareness** of the availability of online purchasing options for alcoholic beverages through digital channels like grocery apps and website



Numerator

NEW FRONTIERS

Learn how your consumer's behavior is shifting
hello@numerator.com