

Findings Report 2019

# BEER, WINE, & SPIRITS SHOPPING TRENDS





Welcome to the inaugural Beer, Wine, & Spirits Survey commissioned by Red Door Interactive.

Our objective for this research is to better understand the behaviors and preferences of consumers in a retail landscape under constant transformation by digital technology. Specifically, we are seeking to answer a seemingly simple question:

“Why do people shop where they shop?”



The insights revealed in this research are especially valuable to marketers who need to identify the best channels on which to distribute their products, both online and offline, and where to make strategic investments (or not). Decisions about the downsizing and closure of brick-and-mortar stores, the perceived “death of the shopping mall,” and the recalibration of the shopping experience toward delivery services, are topics marketers grapple with daily. Not to mention figuring out the Amazon.com part of the equation.

As such, we are excited to share our Beer, Wine, & Spirits Shopping Trends 2019 Findings Report.



Beer, Wine, & Spirits Shopping Trends 2019

# METHODOLOGY



We fielded an online survey via SurveyMonkey between September 26-27, 2018, and data was collected from a random sampling of 300 people ages 21-65 in the United States. SurveyMonkey provided respondents.

In addition to the survey data, proprietary research from the world's leading third-party providers helped to inform and validate our findings at a larger scale. Samples of the reports we referenced include:

- What's Working in Beer & Spirits (WARC)
- Brand Activation Trends: Alcoholic Beverages (WGSN)
- Alcohol Delivery Service Drizly Keeps Tabs on Customer Experiences (eMarketer)

**WARC****WGSN** eMarketer

# SUMMARY OF RESEARCH FINDINGS





01

In-store & traditional marketing channels dominate where consumers discover new alcohol brands and products.



02

Few consumers today purchase alcohol digitally, but the influence of e-commerce is on the upswing.



03

Convenience and access to knowledgeable salespeople top shoppers' reasons for purchasing alcoholic beverages offline.



04

Omnichannel website capabilities are increasingly important for alcohol sellers to bridge the gap between physical world and digital.



05

Amazon.com has a growing presence where shoppers research and purchase alcoholic products online.



06

Amazon.com increases shopper confidence with ratings and reviews but also encourages consumers to find a lower price.



07

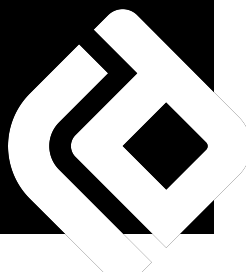
Alcohol retailers should provide the most extensive selection of products possible, maintain sufficient inventory levels, offer food & recipe pairings, and provide fast delivery to improve the digital shopping experience.

# DATA ANALYSIS & COMMENTARY



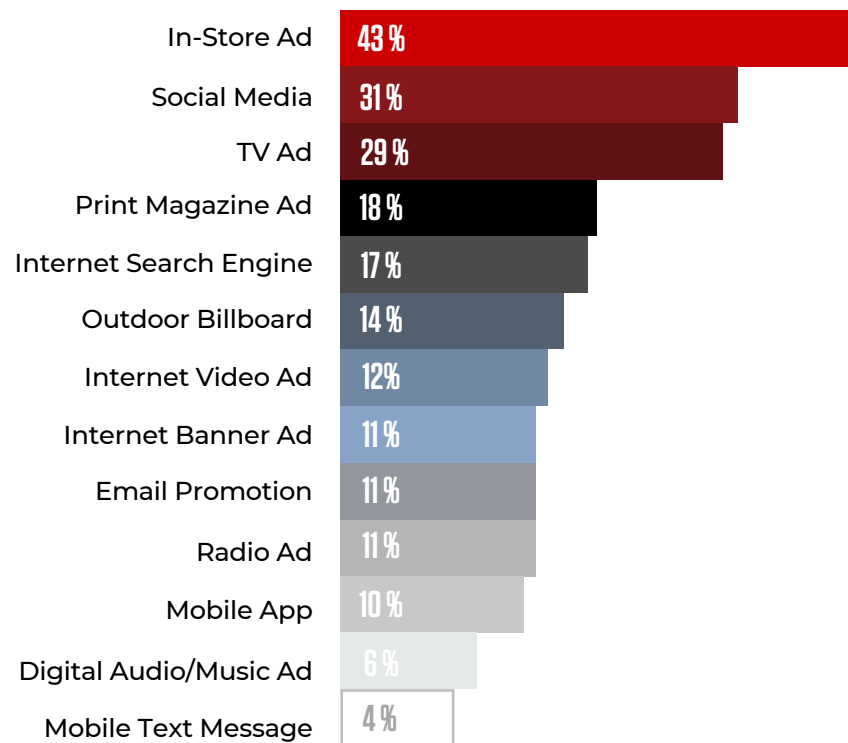
01

In-store & traditional marketing channels dominate where consumers discover new alcohol brands and products.

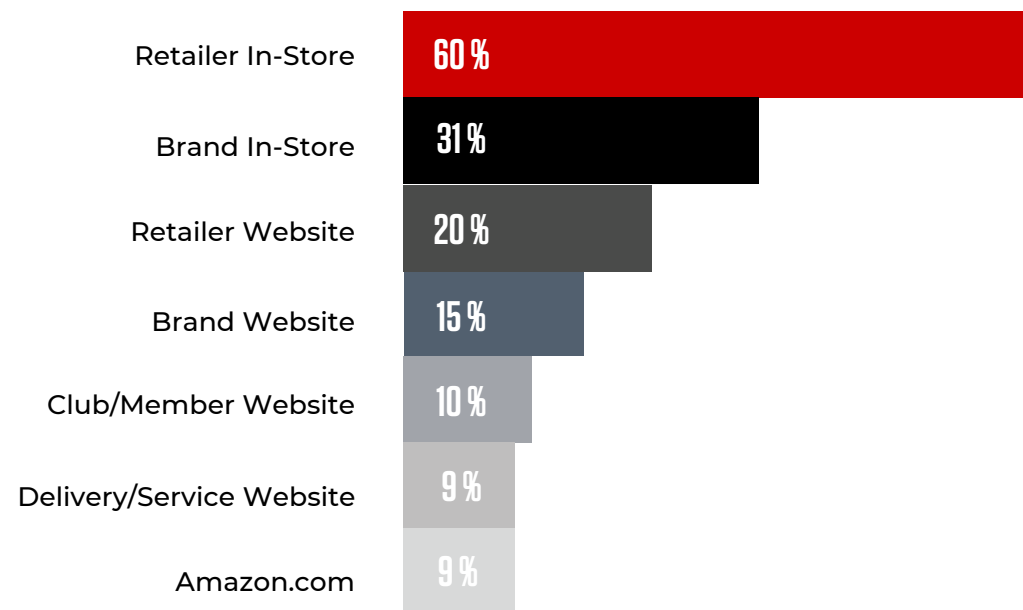


**In-store & traditional marketing channels dominate where consumers discover new alcohol brands and products.**

**MARKETING LOCATIONS**



**SHOPPING LOCATIONS**



Where have you discovered new beer, wine, or spirits while shopping in the last 12 months?



01

**In-store & traditional marketing channels dominate where consumers discover new alcohol brands and products.**

01

In-store ads (43%), TV ads (29%), and print ads (18%) rank in the top five sources of new alcohol product discovery. However, in the past five years, Google searches for "alcohol delivery" increased by 500%<sup>1</sup> revealing the imminent shift towards shopping digitally.

## TOP SOURCES OF NEW ALCOHOL PRODUCT DISCOVERY

**43%**

In-Store Ads

**29%**

TV Ads

**18%**

Print Ads

**500%**

increase in Google searches for "alcohol delivery"

<sup>1</sup>SuperMarket News, "Grocery Poised to Grow Online Alcohol Sales," March 2018

01

## In-store & traditional marketing channels dominate where consumers discover new alcohol brands and products.

02

Just over 90% of alcohol product discovery still occurs in brick-and-mortar store locations, but shopping on retailer and brand websites is on the upswing.

Offline retailers will need to ramp up in-store experiences as digital shopping gains in popularity – especially catering to millennials who are less brand loyal. They try up to 5.1 different craft beers per month relying on search engines and websites to inform their buying decisions<sup>2</sup>.

### ALCOHOL PRODUCT DISCOVERY

**90%**

Brick-and-mortar store locations

<sup>2</sup>WARC, "What's Working in Cider and Beer," March 2018, [www.warc.com](http://www.warc.com)

01

## In-store & traditional marketing channels dominate where consumers discover new alcohol brands and products.

03

Amazon.com is where 9% of survey respondents discover new alcohol brands and products.

The company's entry into online grocery and the recent acquisition of Whole Foods should not be overlooked by alcohol brands who can further leverage the platform to increase brand awareness via paid advertising placements and product page content optimizations.

### HOW SHOPPERS DISCOVER NEW ALCOHOL BRANDS

**9%**

On Amazon.com

01

**In-store & traditional marketing channels dominate where consumers discover new alcohol brands and products.**

04

Digital audio ads contributed to just 6% of alcoholic drinks product discovery potentially underscoring a nascent opportunity.

By 2020, digital audio ad spending is forecast to rise to \$4.1B compared to \$2.9B in 2018<sup>3</sup>.

**\$4.1B**

Forecasted digital audio ad spending in 2020  
(*\$2.9B in 2018*)

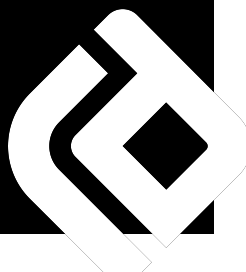
**HOW SHOPPERS DISCOVER ALCOHOL BRANDS****12%**

Internet video and  
streaming music ads

<sup>3</sup>Jack Myers TomorrowToday, "2000-2020 Advertising, Shopper Marketing and Trade Communications Data and Forecasts" as cited by eMarketer, [www.emarketer.com](http://www.emarketer.com)

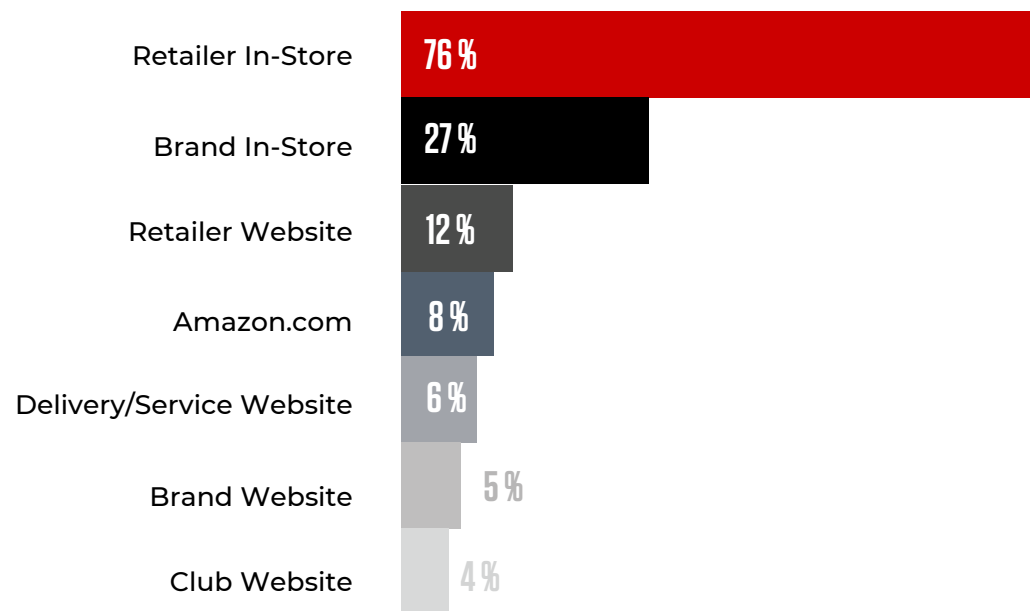
02

Few consumers today purchase alcohol digitally, but the influence of e-commerce is on the upswing.

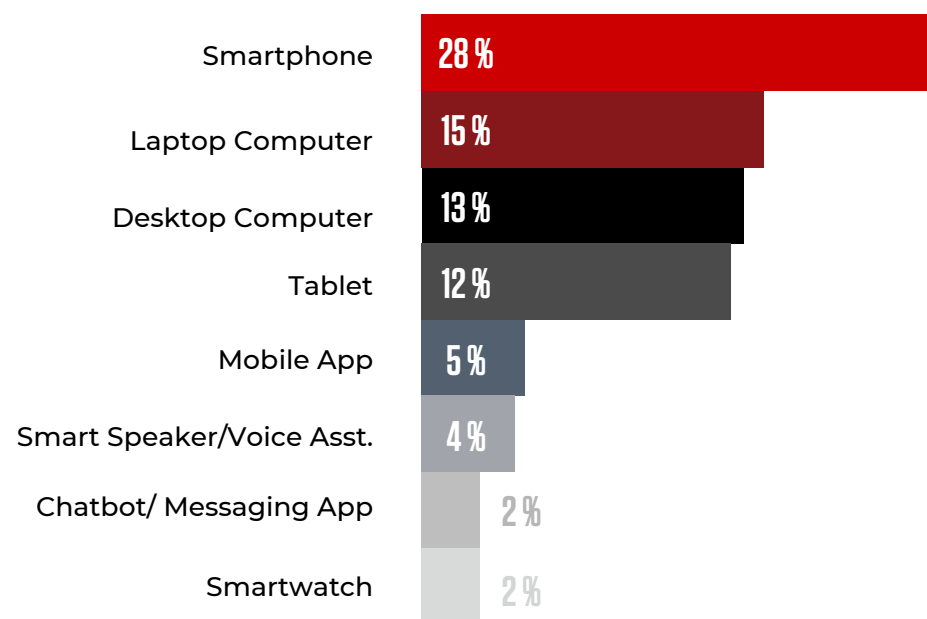


**Few consumers today purchase alcohol digitally, but the influence of e-commerce is on the upswing.**

**SHOPPING LOCATIONS**



**DEVICES & APPS**



Where have you purchased new beer, wine, or spirits while shopping in the last 12 months?

## Few consumers today purchase alcohol digitally, but the influence of e-commerce is on the upswing.

### 01

92% of the survey respondents say they prefer to shop for alcoholic drinks at brick-and-mortar store locations.

Consequently, 76% of alcohol buyers reported purchasing in a grocery store followed by 27% at a brewery, tasting room, or distillery.

### WHERE SHOPPERS MAKE ALCOHOLIC DRINK PURCHASES



**92%**

Brick-and-Mortar Locations



**76%**

Grocery Store



**27%**

Brewery, Tasting Room, or Distillery

## Few consumers today purchase alcohol digitally, but the influence of e-commerce is on the upswing.

### 02

Even though a vast majority of alcohol purchases remain offline (digital purchases are just 5% of total sales currently<sup>1</sup>), the digital channel will develop into the most critical driver of future sales forecast up from \$1.7B in 2017 to \$7B-\$15B over the next few years<sup>2</sup>.

In fact, 17% of our survey respondents indicated purchasing alcohol on a retail or brand website in the last 12 months.

### ONLINE PURCHASING



# 5%

Digital purchases  
(of total sales)



# 17%

Retail or brand  
website



# \$7-15B

Forecasted sales driven by digital channels over  
the next few years. (*\$1.7B in 2018*)

<sup>1</sup>SuperMarket News, "Grocery Poised to Grow Online Alcohol Sales," March 2018

<sup>2</sup>eMarketer, "Alcohol Delivery Service Drizly Keeps Tabs on Customer Experiences," April 2017, [www.emarketer.com](http://www.emarketer.com)

02

## Few consumers today purchase alcohol digitally, but the influence of e-commerce is on the upswing.

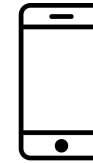
03

28% of alcohol shoppers buy on smartphones making mobile optimization a marketing imperative – especially as more alcohol purchases occur digitally.

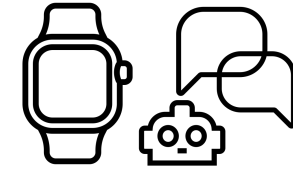
04

While chatbots, messaging apps, voice assistants, and smartwatches receive a lot of industry buzz, only 8% of shoppers reported purchasing alcohol through those technologies (a trend to monitor as consumer habits shift and tech matures). According to a 2018 Narvar study, 51% of shoppers used voice assistants to research products, 36% added products to a shopping list, and 22% made a purchase<sup>3</sup>.

### ALCOHOL PURCHASES ON DEVICE

**28%**

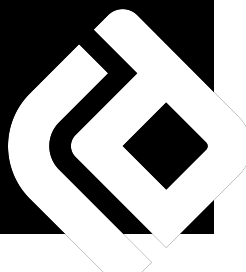
Smartphones

**8%**Chatbots  
Messaging Apps  
Voice Assistants  
Smartwatches

<sup>3</sup>Narvar, "Connecting with Shoppers in the Age of Choice", April 2018

03

Convenience and access to knowledgeable salespeople top shoppers' reasons for purchasing alcoholic beverages offline.



**Convenience and access to knowledgeable salespeople top shoppers' reasons for purchasing alcoholic beverages offline.**

**SHOPPERS' REASON FOR PURCHASING OFFLINE IN-STORE LOCATION**



Which of the following factors are MOST IMPORTANT to you when shopping for beer, wine, or spirits OFFLINE in a store location?



## Convenience and access to knowledgeable salespeople top shoppers' reasons for purchasing alcoholic beverages offline.

### 01

The fact that convenience is such a popular driver of offline shopping (56%), means internet retailers need to educate consumers that shopping online is not only legal, but also can help them save time shopping, enable them to get products faster (i.e., Amazon 1-hour delivery), provide intuitive user experience, and expose shoppers to the widest variety of products.

### 02

30% of survey respondents indicated they are seeking additional product information with mobile devices while shopping for alcoholic beverages in-store locations. This omnichannel behavior underscores the importance of complementing bottle and packaging with easily findable online content resources.



# 56%

Of shoppers buy offline because of convenience



# 30%

of shoppers—shopping at in-store locations—seek more product info with mobile devices

## Convenience and access to knowledgeable salespeople top shoppers' reasons for purchasing alcoholic beverages offline.

### 04

Because of the tendency to purchase offline, alcohol brands are experimenting with immersive in-real-life brand partnerships, programming, and activations.

They are particularly effective because only 31% of US Internet users feel alcoholic drink brands are doing a good job connecting with people<sup>1</sup>, yet 74% of consumers say engaging with marketing experiences makes them more likely to buy the products being promoted<sup>2</sup>.

### MARKETING ENGAGEMENT



# 31%

Feel alcoholic drink brands are doing a good job connecting with people



# 74%

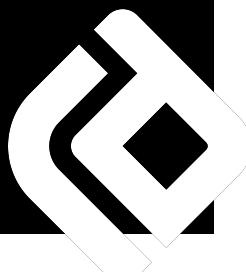
Feel engaging with marketing experiences makes them more likely to purchase that product

<sup>1</sup>Age of Majority, December 2017, as cited by eMarketer, [www.emarketer.com](http://www.emarketer.com)

<sup>2</sup>EventTrack, "Experiential Marketing Content Benchmarking Report," August 2017, as cited by WARC, [www.warc.com](http://www.warc.com)

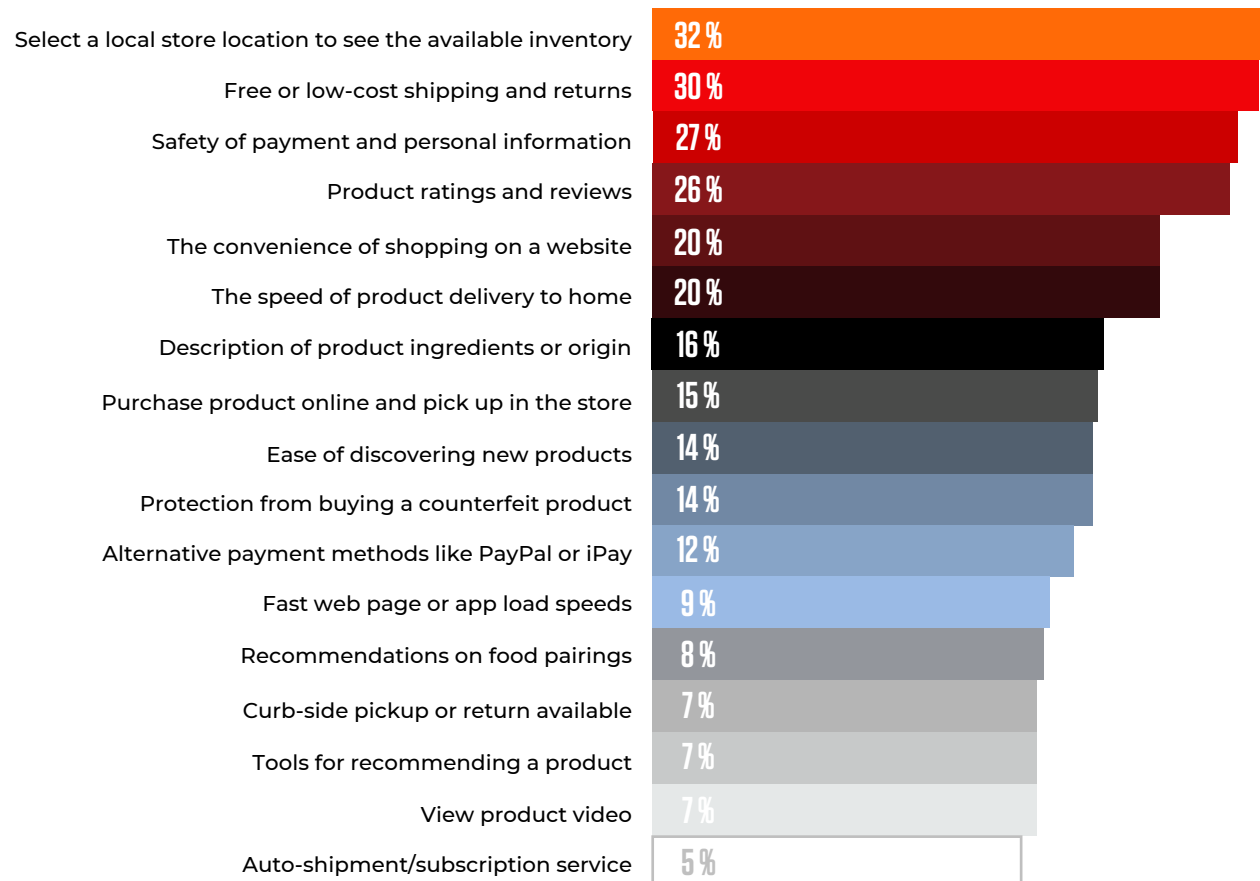
04

Omnichannel website capabilities are increasingly important for alcohol sellers to bridge the gap between physical world and digital.



Omnichannel website capabilities are increasingly important for alcohol sellers to bridge the gap between physical world and digital.

SHOPPERS' REASONS FOR PURCHASING ONLINE VIA E-COMMERCE



Which of the following factors are MOST IMPORTANT to you when shopping for beer, wine, or spirits ONLINE via e-commerce?

**Omnichannel website capabilities are increasingly important for alcohol sellers to bridge the gap between physical world and digital.**

**01**

The top chosen website feature influencing alcoholic beverage purchases is to see local store inventory (32%), which aligns with consumer preference to buy offline in this category. Even so, alcohol is a top product category that internet users want to have received via same day delivery, but just 5% have done so<sup>1</sup>.

**02**

Popular website features influencing how users buy alcohol include free/low-cost shipping (30%), the safety of payment information (27%), and product ratings and reviews (21%), marketers should view these features as essential to remain competitive.

**OMNICHANNEL WEBSITE FEATURES****32%**

See local store inventory

**15%**

Purchase product online to pick up in-store

**7%**

Curb-side pickup or return available

**POPULAR WEBSITE FEATURES****30%**

Free or low-cost shipping &amp; returns

**27%**

Safety of payment &amp; personal information

**26%**

Ratings &amp; reviews

<sup>1</sup>Dropoff, "I Want it Now: Same-Day Delivery + the U.S. Consumer," March 2018, as cited by eMarketer, [www.emarketer.com](http://www.emarketer.com)

04

**Omnichannel website capabilities are increasingly important for alcohol sellers to bridge the gap between physical world and digital.**

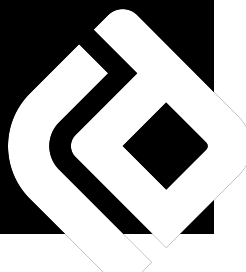
03

While in-store shopping behaviors currently rule the day for alcoholic beverages, there is a massive opportunity for brands to deploy integrated mobile marketing solutions that connect the real world to digital.

Brands bridging the physical-to-digital world are better equipped to harness data collected from users such as location information and increase awareness that online alcohol sales and delivery are now legal in most states.

05

Amazon.com has a growing presence where shoppers research and purchase alcoholic products online.



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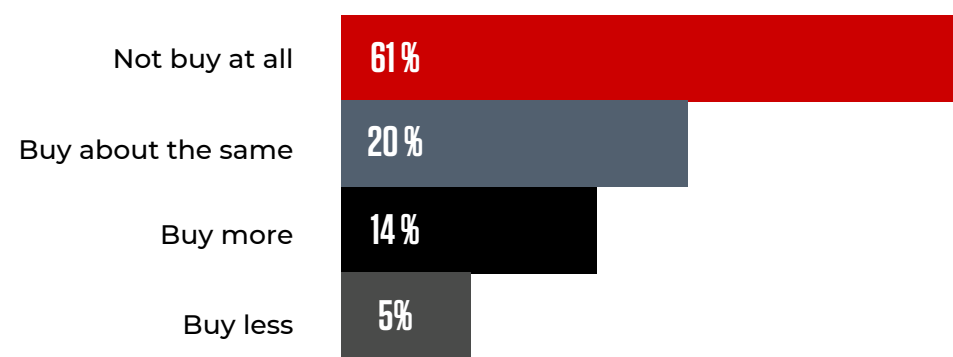
**SHOPPED FOR ALCOHOL ON AMAZON.COM**

Last 12 Months



**PLAN TO BUY ALCOHOL ON AMAZON.COM**

Next 12 Months



Have you shopped for beer, wine, or spirits products on Amazon.com in the last 12 months?

How many beer, wine, or spirits products will you buy on Amazon.com in the next 12 months?

## Amazon.com has a growing presence where shoppers research and purchase alcoholic products online.

### 01

17% of the survey respondents shopped for alcohol on Amazon.com in the last 12 months.

The number is set to climb as 34% expressed the intent to buy about the same or buy more alcoholic products on Amazon.com in the next 12 months.

### AMAZON.COM SHOPPING TRENDS



**17%**

Purchased alcohol from Amazon.com  
*(last 12 months)*



**31%**

Intend to buy alcoholic products on Amazon.com  
*(next 12 months)*

## Amazon.com has a growing presence where shoppers research and purchase alcoholic products online.

### 02

Researchers predict online alcohol sales will follow a similar pattern in the US that has occurred in Europe, where Amazon's alcohol sales grew by 96% and 230% in the UK and Germany respectively<sup>1</sup>.

### 03

Now is the time for alcohol brands to have an Amazon strategy (even if it means not selling on Amazon).

### US vs. EUROPE AMAZON.COM ALCOHOL SALES



**230%**

Increase of  
online alcohol  
purchases in  
Germany



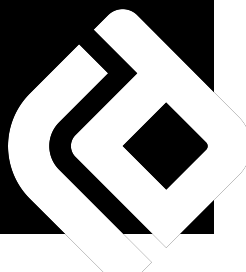
**34%**

UK beer drinkers  
who regularly buy  
beer online

<sup>1</sup>SuperMarket News, "Grocery Poised to Grow Online Alcohol Sales," March 2018

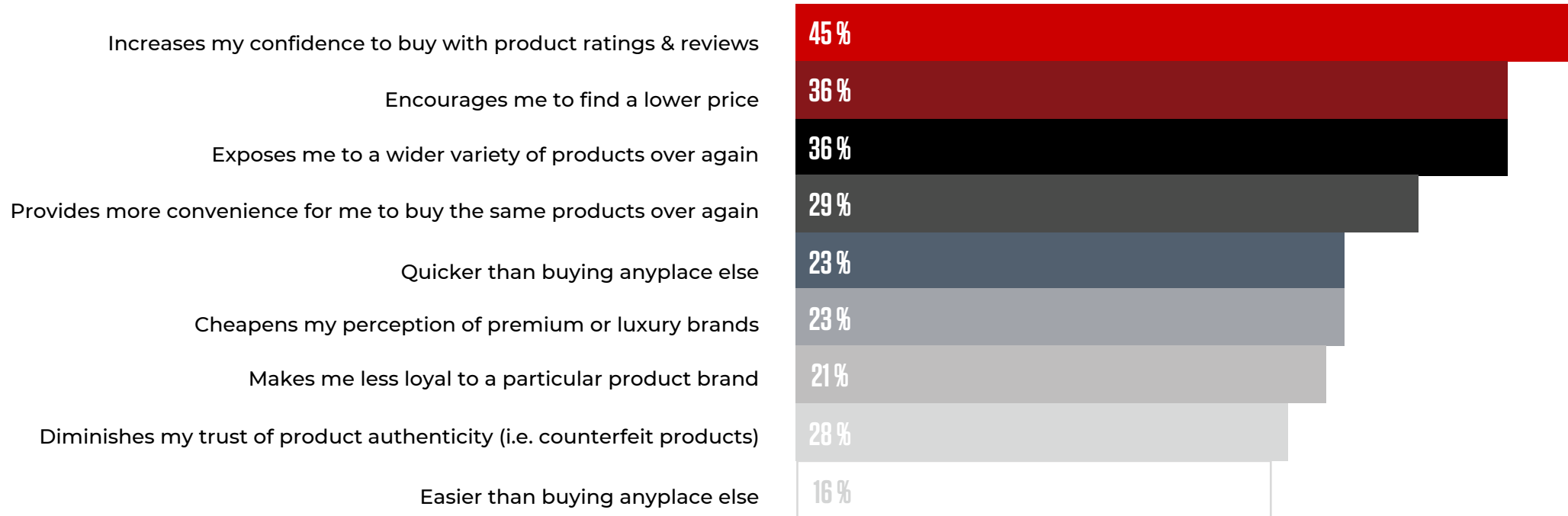
06

Amazon.com increases shopper confidence with ratings and reviews but also encourages consumers to find a lower price.



**Amazon increases shopper confidence with ratings & reviews but also encourages consumers to find a lower price.**

**AMAZON.COM INFLUENCE ON ALCOHOL SHOPPERS**



For you personally, how does shopping on Amazon.com influence your choice of beer, wine, or spirits products?



## Amazon increases shopper confidence with ratings & reviews but also encourages consumers to find a lower price.

### 01

It is well documented that Amazon.com encourages shoppers to find a lower price, and our survey found the same with 36% of alcohol shoppers indicating Amazon influences them to find a lower price, but just 21% say Amazon makes them less loyal to a particular brand.

### 02

The tendency to shop by price on Amazon should not be overly alarming as sales or coupons less influence alcohol buyers compared to other categories. In fact, alcohol shoppers are more likely to trade up to a more expensive brand.<sup>1</sup>

### PRICE VS. LOYALTY



# 36%

Of shoppers are influenced by Amazon to find a lower price



# 21%

Of shoppers say Amazon makes them less loyal to a particular brand

<sup>1</sup>McKinsey & Company, "Today's Thrifty US Consumer: McKinsey 2018 Global Sentiment Survey," February 2018, as cited by eMarketer, [www.emarketer.com](http://www.emarketer.com)

## Amazon increases shopper confidence with ratings & reviews but also encourages consumers to find a lower price.

### 03

A common belief among luxury or premium brand marketers is that Amazon.com cheapens consumer perception of their brands, and 23% of survey respondents indicate that is true.

### 04

18% of survey respondents feel Amazon.com diminishes trust of product authenticity which ranks higher than other categories.

### PERCEPTION OF BRAND ON AMAZON



**23%**

Of shoppers say Amazon cheapens the perception of a brand

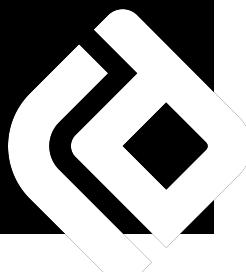


**18%**

Of shoppers say Amazon diminishes trust of product authenticity

06

Alcohol retailers should provide the most extensive selection of products possible, maintain sufficient inventory levels, offer food & recipe pairings, & provide fast delivery to improve the digital shopping experience.



**Alcohol retailers should provide the most extensive selection of products possible, maintain sufficient inventory levels, offer food & recipe pairings, and provide fast delivery to improve the digital shopping experience.**

TASTING & SAMPLES  
**LARGE INVENTORY**  
**MORE VARIETY**  
COUPONS FOOD PAIRINGS & RECIPES  
**CRAFT & LOCAL BRANDS**  
**FAST DELIVERY**  
KNOWLEDGEABLE STAFF

**01**

Unsurprisingly, alcohol shoppers care about retailers offering a wide variety of brands and keeping products in stock. Shoppers also expressed a preference for more craft and local brands.

**02**

Retailers can help customers figure out the best alcohol to pair with different food and recipes. Successful experiences can lead to additional purchases.

**03**

Shoppers want more tasting and sampling opportunities, and a small percentage asked for more discounts and coupons.

If you could offer one piece of advice to a beer, wine, or spirits product retailer to improve your shopping experience, what would that be?

A modern office interior with a staircase, a reception desk, and a lounge area. The space is dimly lit with industrial-style lighting. The staircase has a metal railing and leads to an upper level. The reception desk is a long, dark wood counter. In the foreground, there is a modern chair and a small table.

## ABOUT RED DOOR INTERACTIVE

Red Door Interactive uses data, technology, and top industry talent to inform the development of breakthrough creative and implement smarter marketing practices, ultimately driving more revenue for our clients.





# THANK YOU.

Please direct questions and  
feedback regarding this report to:

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