

Press Release

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Led by the US, Beverage Alcohol Ecommerce Value Expected to Grow +66% Across Key Markets 2020-2025

IWSR Research Shows Younger Legal-Drinking-Age Consumers Driving Shift From 'Traditional' Ecommerce Channels to More 'Modern,' App-Led Online Platforms

LONDON – Over the next five years, total beverage alcohol ecommerce sales across key global markets are expected to grow by +66%, to reach more than US\$42 billion, according to a comprehensive new ecommerce strategic study published by IWSR Drinks Market Analysis, the global leader in alcohol data and analysis.

Among the 16 focus markets examined in the IWSR report (Australia, Brazil, Canada, China, Colombia, France, Germany, Italy, Japan, Mexico, Netherlands, Nigeria, South Africa, Spain, the United Kingdom and the United States), ecommerce value increased by about +12% in 2019, and then by almost +43% in 2020 during the height of the pandemic. Looking ahead to 2025, ecommerce is projected to represent about 6% of all off-trade beverage alcohol volumes, compared to less than 2% in 2018. The greatest forecast ecommerce value growth will come from the US, thanks to average annual growth in the country of about +20%, which will see it become the top global market for online beverage alcohol. China, which currently accounts for a third of total ecommerce value, is expected to expand less rapidly, but still contribute substantial value.

The newly released IWSR study also found that online business models for alcohol sales are becoming more diverse, leading consumers to increasingly shift between channels and retailers according to their specific needs at any given time. In general terms, the online beverage alcohol space can be perceived as two distinct, but overlapping, worlds: more 'traditional' ecommerce – often omnichannel or online specialists – accessed via websites and used by older consumers seeking good prices and known brands and who are prepared to wait for delivery; and more 'modern' app-driven ecommerce – often on-demand or marketplaces – used by younger legal drinking age consumers willing to pay for rapid delivery and looking for interesting/premium brands.

“Given the pandemic and overall changing consumer shopping behaviour, it’s certainly not surprising that alcohol ecommerce is growing very quickly. But what’s interesting is to see the significant variations that have developed both across and within markets in how different consumer groups shop via ecommerce and what their priorities are,” says Guy Wolfe, Strategic Insights Manager, IWSR Drinks Market Analysis. “Ecommerce has clearly become engrained for many consumers, cementing its place as the third sales channel for beverage alcohol purchase.”

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Consumer research conducted by IWSR found that around one-quarter of alcohol drinkers across the globe report buying alcohol online, with two-thirds having made their first purchase pre-pandemic. China has the highest proportion of online shoppers among all beverage alcohol buyers, at nearly 60%, and the US has the highest proportion of online buyers who made their first purchase during the pandemic (54%).

In most markets, wine is the largest major alcoholic drinks category in ecommerce (representing about 40% of total ecommerce value), with notable exceptions being China, Colombia, Mexico, and Nigeria, where spirits lead online sales by value. Although currently accounting for less than one-fifth of total ecommerce value, beer, cider, and RTDs are expected to grow strongly over the next five years, gaining share mainly from wine.

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About the IWSR

The IWSR is the leading source of data and intelligence on the alcoholic beverage market. The IWSR's database, essential to the industry, quantifies the global market of wine, spirits, beer, cider, and RTDs (ready-to-drink) by volume and value in 160 countries, and provides insight into short- and long-term trends, including five-year volume and value forecasts. The IWSR tracks overall consumption and trends at brand, price segment and category level. Our data is used by the major international wine, spirits and beer companies, as well as financial and alcoholic beverage market suppliers. The IWSR's unique methodology allows us to get closer to what is actually consumed and better understand how markets work. The IWSR boasts a team of global analysts, each of whom is equipped with local market expertise and an expansive network of on-the-ground industry contacts. Our analysts meet and speak with their industry contacts throughout the year in order to capture local insight, key market trends, and the 'why' behind the numbers. For more information about the IWSR, please visit www.theiwsr.com.