# Mixing insights into innovation, brands spike sales of alcohol

NielsenIQ data uncorks omnichannel sales figures.

Leveraging NielsenIQ Omnisales and Omnishopper data, alcohol beverage brands can see how online behavior and category-wide innovation are impacting the industry.

NielsenIQ

The alcohol category is thriving both in innovation and sales. Hard seltzer brands continue to inspire through bold, expansive flavors like Mango Guava and Pineapple Agave. Tequilas are surging in spirits, and retailer-exclusive craft beers packaged like mini pieces of art dazzle on shelves in a very crowded space.

The category is facing its share of challenges from a strained supply chain—including carbon dioxide for beer, corks for wine bottles, glass for bottles, agave for tequila and more—but the overall category is enjoying continued sales growth across beer, wine and spirits, spurred by a growth in at-home consumption during the pandemic.

Now, the industry is doubling down on new product development, such as exotic seltzer flavors, low-calorie beers, non-alcoholic wine—even a first-ever beer with zero carbs. With consumers having gotten a taste of the convenience of buying alcohol online for curbside pickup or home delivery, there continues to be massive potential for growth for both established and emerging brands in this sector.

What's more, forced closures of bars and restaurants during peak pandemic months, followed by several months of health and safety protocols such as masks, vaccine mandates, and more, put a damper on alcohol sales from restaurants and bars. But rapid investment and expansion of online ordering and click-and-collect services introduced many consumers to a new way to purchase alcohol.

Combined, product innovation and online retail innovation are two of the forces driving alcohol sales to new heights. Using NielsenIQ Omnisales and Omnishopper data sets, beverage alcohol manufacturers can see what consumers are buying in what channels and how they want their orders fulfilled.

## How beval brands use the data

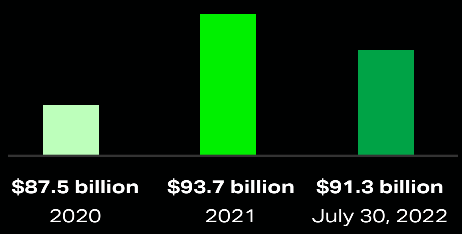
As beer, wine and spirits brands gear up to meet a growing sector of online-only and omnishopper alcohol beverage buyers, brands can leverage Omnisales data to unlock a complete channel picture of sales and how orders are fulfilled. A wine brand can see how their sales are performing at grocers, e-tailers like wine.com, and across the liquor channel. The brand can see how online-only shoppers are buying the wine and what percentage is purchased for curbside pickup and delivery.

Unlike other data sets, NielsenIQ measurement does not double count sales such as click-and-collect transactions and online data. That factor is important as NielsenIQ methodology gives brands a more accurate picture of how delivery fulfillment is impacting the industry. It also ensures a brand doesn't misunderstand its share of the nearly $1.5 billion in wine sales served through shipped and delivery for the 52 weeks ending July 30, 2022.[2]

### What our numbers say

NielsenIQ Omnisales data for the last 52 weeks ending July 30, 2022, show total alcohol sales reached $91.3 billion, down slightly from a year ago when the category saw peak-pandemic home-consumption levels generate $93.7 billion in sales, and well over the $87.5 billion generated two years ago.[1]

**Alcohol sales by year:**




1 Source: NielsenIQ Omnisales, Alcohol Total US xAOC, Latest 52 weeks W/E 07/30/22
2 Source: NielsenIQ Omnisales, Alcohol Total US xAOCxAOC, Latest 52 weeks W/E 07/30/22

## The impact of e-commerce sales

NielsenIQ Omnisales data can provide a view into alcohol sales by channel over a multi-year timeframe. What does it reveal? Compared with two years ago, there was a solid 28.3% increase in online-only sales for the 52 weeks ending July 30, 2022 compared to that same period two years prior.[3]

For the July 30 timeframe, online-only sales or the entire alcohol category passed $4 billion, nearly $1 billion more earned compared to the same 52-week period two years ago, and online-only wine sales topped half of that. Overall, that remains a small slice of the total sales pie, but consumers are just warming up to having alcohol delivered to their home or for pickup inside the store or at the curb. Through omnichannel data, brands can get ahead of subcategories trending in online behavior. Some of the numbers show dramatic growth:

- Sales of pickup orders for total wine reached $890.2 million for the 52 weeks ending July 30, up from $774.8 million a year ago, and up nearly 115% vs. two years ago. More opportunities and more entertaining at home could be leading to the jump. In total spirits, for the 52 weeks ending the same period, the category saw nearly $474 million in total U.S. pickup orders. This is a 101.8% leap from nearly $235 million earned two years ago, and it's a slight increase from a year ago.[4]

To know more about who's buying online only, alcohol brands can layer in NielsenIQ Omnishopper data and uncover shifts in shopper demographics and households. For example, when digging into online-only alcohol buyers, one interesting development is a significant rise in buyers who are aged 65 to 79 years old and ages 55 to 64 years old. The panel looked at a shift in buyer behaviors from Aug. 15, 2021, to Aug. 13, 2022, finding that older shoppers, especially ones still employed were quick to try online-only buying.[5]

The data's precision enables a beverage alcohol brand to look at new marketing and targeting strategies around a locked-in shopper group and continue driving growth of online alcohol purchases. While the overall results for online-only sales are a small piece of total sales, it's a relatively new habit for consumers. This demographic could be vital in unlocking future sales.

## The instacart effect

Until the pandemic, consumers didn't have much experience buying alcohol online, and even today, not every state allows alcohol to be delivered. Alabama, Mississippi, Utah, and Kentucky restrict the sales entirely, and some have restrictions around hours and days.

However, during the pandemic, more than half the country eased restrictions to enable alcohol sales delivery, especially for restaurants serving cocktails.

## How beval brands use the data

Using omnichannel shopper data, alcohol brands can understand buying habits across a number of shopper demographic traits. A beer brand, for instance, can see how sales of a low-alcohol option are distributed by household income, shopper ages, region of the country, if the shopper has younger or older children, and whether they're the primary shopper in the house, and more. It is a granular look at who is buying your brand, informing how you can target very specific shopper groups through marketing or identifying specific customer segments that are shifting online or leaking to competition.

More importantly, unlike other data sets, NielsenIQ's methodology provides a longitudinal view of shoppers to deliver stable and accurate consumer behavior shifts and trends.

**What our numbers say**

In December 2019, 81% of consumers had never purchased groceries online. The total number of online grocery customers, including sales of food and alcohol, went from 16.1 million to 45.6 million by June of 2020.[6]

3, 4 Source: NielsenIQ Omnisales, Alcohol Total US xAOC, Latest 52 weeks W/E 07/30/22
5 Source: NielsenIQ Omnishopper, Alcohol Shopper Demographics; Total U.S. 08/15/21 - 08/13/22
6 Source: NielsenIQ Grocery TL Data

Last year, 14 states and Washington, D.C. made it a permanent move.

Then there are the apps. Drizly, the mobile app and delivery service of alcohol purchased at nearby liquor stores, was launched in 2012. DoorDash has offered alcohol delivery from participating retailers and restaurants since around the same time. Instacart joined the pack a year later, and then there are others such as Minibar and the e-commerce service wine.com.

However, when apps like Instacart launched, they didn't come close to the broad grocery and mass retailer reach they possess now. It wasn't until the pandemic struck that grocers would form new online partnerships. For example, DoorDash said that in September 2021, it had upped its alcohol-delivery service to 20 states across the country. The service says it now has more than 30,000 products in its alcohol category.

And with its more extensive retailer network, Instacart announced through its varying expansions over the last two years that the company's alcohol delivery (as of November 2021) reached nearly 75% of total U.S. households. Instacart says more than 300 of its 700 retailer partnerships offer alcohol delivery.

It's a significant barometer. When looking at the change in online buying habits, NieslenIQ data on the grocery sector found that online-only sales for just food and alcohol reached nearly $70 billion for all of 2021, up from $57.5 billion in 2020.7 Expect that number to climb as more consumers become comfortable buying alcohol online.

There's also an increase in how consumers get their alcohol via click-and-collect pickup and for delivery. For total alcohol online orders through July 30, 2022, the category earned $2.2 billion, slightly down from $3.1 billion a year ago, and slightly up from two years ago. The numbers identify a behavior that’s settling in, whereas pickup is on the rise. Total alcohol pickup sales reached $1.8 billion through the 52 weeks ending July 30, not far behind the delivery orders. That was also an increase from $1.6 billion a year ago, and up from $947 million two years ago. This is a percentage gain of 91.4% over the past two years.[8]

Those numbers pale in comparison to brick-and-mortar sales—$87.2 billion of the total $91.3. billion earned as of July 30, 2022—but pickup and shipped and delivery are playing a major role in the overall growth of alcohol sales in the United States, and it is not letting up.[9]

## Innovation in beverages

With a rise in at-home consumption of alcohol and an increase in online purchases of alcohol, brands operating in the beer, wine and spirits categories are finding new ways to serve consumers at home. Across the category, brands are developing offerings that

## How beval brands use the data

NielsenIQ's Omni Solutions can help spirits brands see a sales breakdown by channel, category and deep subcategory listings—brandy, cognac, cordials, gin, grain alcohol, tequila, vodka, and more. The data can be lined up with omnichannel shopping behaviors across channels such as a combination of liquor store and c-stores, where tequila sales have grown from nearly $1.5 billion two years ago to nearly $2.6 billion a year ago and $2.8 billion through 52 weeks ending Aug. 27, 2022, per Omnisales data.[11]

The data can help spirits manufacturers reach a growing omnichannel shopper. Even for a spirits brand, even the slightest shift in online shipped and delivery sales can grow the brand. Spirits brands that can accurately track shifts such as the rise in online can gain a distinct advantage over competitors who can't distinguish between delivery, pickup and in-store sales volume. The rise in alcohol sales is an interesting case study; it's a quick rise and sustained growth for a consumer base that hadn't really tested the waters before. Spirits brands can see which types of beverages are getting out in front of the others.

**What our numbers say**

The increased opportunities for consumers to purchase alcohol online through partnerships with Instacart and other delivery providers clearly helped fuel a spike in total online purchases of alcohol. NielsenIQ's Omnisales data shows that there were 147.9 million shoppers that purchased food and alcohol online in 2020, which increased to 160.2 million in 2021.[10] The jump in shoppers buying alcohol online increased the average overall basket price at grocers, too.

**Online sales increase:**

**$147.9** → **$160.2**

2020 → 2021

7 Source: NielsenIQ Ominsales, Grocery Insights L52W; Total U.S. calendar year 2021 – 01/02/22
8 Source: NielsenIQ Omnisales, Alcohol Total US xAOC, Latest 52 weeks W/E 07/30/22
9 Source: NielsenIQ Omnisales, Alcohol Total US xAOC, Latest 52 weeks W/E 07/30/22
10 Source: NielsenIQ Omnisales, Food Shopper and Basket; Total U.S. 01/02/22
11 Source: NielsenIQ Omnisales, Spirits - Liquor Channel Total; Total U.S. Latest 52 weeks 08/27/22

target certain attributes such as low alcohol or no alcohol to reach different shopper segments.

The increase could shed light on the growing consumer focus on health and wellness that began during the COVID-19 pandemic. To respond, brands have been testing launches of better-for-you beverages that feature attributes such as lower alcohol levels, lower carbohydrates or gluten-free.

Additionally, this has paved a way for increasing consumer interest in hard seltzers and ciders, a beverage that tends to be lower in alcohol than beer and infuses flavors like hibiscus and lavender that claim health benefits.

And legacy brands have joined the category alongside the likes of White Claw, Truly, and Vizzy: Bud Light, Michelob, and Jose Cuervo launched seltzer products, and new this year comes a line of Mountain Dew-flavored hard drinks.

The success of the category is likened to that of the sparkling waters category through its similar flavor profiles. In fact, one brand, Topo Chico launched a hard seltzer inspired by its popular Topo Chico mineral waters.

Marketers can access Omnisales data to look at the hard seltzer subcategory within beer and into a channel like the liquor and convenience space, where total sales of hard seltzers climbed to nearly $4.4 billion through 52 weeks ending Aug. 13, 2022—up from nearly $3.4 billion two years ago.[12] That's a strong trend of growth, highlighting the bold flavors and attributes that could be gaining among consumers. Brands can get more granular into what demographics are surging in the category and how they are buying.

For example, during the pandemic, prepared cocktails became a popular product for in-home entertaining and the trend has kept going. Omnisales data through the 52 weeks ending July 30, 2022, shows online-only orders soar 213.8% vs. two years ago, climb 182.6% in pickup orders, and grow 274.1% in shipped and delivery sales, as consumers attempted to bring the nightlife home. But even as restrictions eased, consumers didn't turn back, as prepared cocktails continue to see an increase in sales, up 44.5% in total omnichannel sales vs. a year ago, and up 35% in online-only orders, compared to a year ago.[13]

Leveraging NielsenIQ data, manufacturers and brands can pinpoint the categories where innovation and online sales are going to continue to generate incremental sales gains for alcohol overall. The comprehensive picture of sales data plus demographic and consumer behavior reports from NielsenIQ OmniSolutions allows brands to dig into which consumers are driving growth and how they are choosing to make purchases.

## How beval brands use the data

Through 52 weeks ending Aug. 27, 2022, in just the liquor store channel, sales of non-alcoholic versions of beverages in the spirits category have steadily increased over the last three years, showing a climb in consumers being more mindful of their health. This year sales have exceeded $4.3 million, through the 52-week period, up from $2.3 million a year ago and more than $786,000 two years ago.[15]

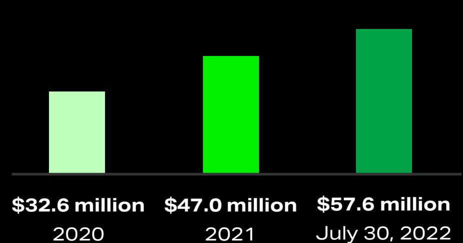
By layering in Omnishopper data, a spirits brand can efficiently target the precise omnichannel buyers looking for better-for-you beverages within the alcohol category and drive trial of low-alcohol or non-alcoholic options.

Relying on an accurate consumer panel and channel breakdowns, including by curbside pickup or delivery, the omnichannel data solutions give brands more insight into consumer shifts and channel shifts than ever before. The data enables beer, wine and spirits brands to optimize their strategies across channels and demographics.

**What our numbers say**

NielsenIQ's omnichannel numbers prove an uptick in better-for-you alcohol purchases. Non-alcoholic wine, for example, has amassed roughly $57.6 million in sales for the 52 weeks ending July 30, 2022, compared to more than $47 million in 2021, and $32.6 million in sales in 2020.[14]

**Non-alcoholic wine sales by year:**




12 Source: NielsenIQ Omnisales, Beer Total US xAOC Liquor Channel; Latest 52 weeks W/E 08/13/22
13 Source: NielsenIQ Omnisales, Alcohol Total US Alcohol Total US xAOC, Latest 52 weeks W/E 07/30/22
14 Source: NielsenIQ Omnisales, Alcohol Total US xAOC, Latest 52 weeks W/E 07/30/22
15 Source: NielsenIQ Omnisales, Spirits - Liquor Channel Total; Total U.S. Latest 52 weeks 08/27/22

## How NielsenIQ Can Help

NielsenIQ Omnisales and Omnishopper data provides in-depth, accurate shopper information and deep channel sales insights that can help brands avoid being blindsided by any changes in their category. NielsenIQ data sets break down sales by channel, category, subcategory, and more. Brands can take advantage of omnichannel data to optimize how they reach online, in-store and omnichannel shoppers, drilling down into activity at specific grocers, the liquor store channel and e-tailers, untapping where shoppers are buying ciders or low-alcohol beers and how often, and other use cases.

Learn more about how to optimize your omnichannel strategy in our report—"What's your brand's winning move this year? Optimizing your omnichannel strategy."

Or get in touch with our sales team to find out how you can optimize your business for beverage alcohol omnishoppers.

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