Alcohol To Go: Understanding Drinks for Delivery

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$9.8B Sales
2018 YTD sales through Q4

Sales by Largest Third-Party Delivery Providers
(in $000s)

Caviar  DoorDash  Postmates  Uber Eats  Grubhub

*Time period: January-December 2017 vs. January-December 2018
Source: Technomic Transaction Insights
## Drinks to Your Doorstep

### Alcohol-Specific Services
- Partner with off-premise retailers
- Local focus
- App-facilitated
- Content and community

### Third-Party Delivery Services
- Restaurant
- Retail goods

### Traditional Retailers
- Exploring alcohol delivery

### Direct Shipment

### Online Retailers

### Third-Party Delivery Services

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<th>Service</th>
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<td>Saucey</td>
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<td>Thirstie</td>
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<td>Meijer</td>
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<td>Walmart</td>
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*BEFORE IT'S A THING, IT'S HERE.*
Early Adopters: Alcohol Beverage Delivery
Consumer Alcohol Delivery
Occasion Dynamics
Younger Consumers Clamor for Delivery

21-34 year olds

• 81% order food for delivery at least once a month
  − 47% purchase alcohol for delivery most/every time they order food for delivery
45%
• Of legal age consumers order alcohol for delivery
• Once a month+

61%
• Agree the delivery fee is worth the convenience

Type of Delivery Service

- Third-party alcohol delivery (e.g., Drizzly) 32%
- Third-party varied product delivery (e.g., Instacart) 30%
- Third-party restaurant delivery service (e.g., Uber Eats) 29%
- Other 25%

Source: Technomic
Alcohol Delivery Occasions Vary by Age

- Weekday meal
  - 21% (21-34)
  - 15% (35+)
- Weekend meal
  - 30% (21-34)
  - 21% (35+)
- Informal get-together with friends/family
  - 25% (21-34)
  - 32% (35+)
- Planned special event or party
  - 25% (21-34)
  - 32% (35+)

Source: Technomic
What could encourage you to order alcohol with your restaurant food delivery orders?

1. Discount or bundle with food
2. Variety of alcohol drinks/types
3. Offer my preferred brand
4. Unique, signature beverages I can’t get elsewhere
5. Variety of brands
6. My preferred restaurant offering alcohol delivery
7. Packaging that maintains beverage temperature
8. Multi-serving/shareable options
9. Mixer kit that allows me to create a cocktail using spirits I have at home
10. Resealable packaging
Prefer to order restaurant food and alcohol from same provider

67%

72%
21-34 year olds
Impact & Outlook
Would order from a restaurant more often if food and adult beverages could be ordered together.
Alcohol Delivery Impacts Visits to Restaurants & Bars

I often order alcohol for delivery instead of going out to a restaurant, bar or other establishment for adult beverages

Overall

- 27%

21-34

- 33%

35+

- 22%

I am going out to restaurants, bars and other establishments less often because I am ordering alcohol for delivery

Overall

- 27%

21-34

- 33%

35+

- 22%

Source: Technomic
Outlook: Younger Consumers’ Demand Growing

Expected Change in Alcohol Delivery Usage in Next 12 Months

- **21-34**
  - More often: 12%
  - The same amount: 56%
  - Less often: 32%

- **35+**
  - More often: 18%
  - The same amount: 56%
  - Less often: 27%

- **Overall**
  - More often: 15%
  - The same amount: 56%
  - Less often: 29%

Source: Technomic
What’s Next?

POINTS TO PONDER

• How robust is my food delivery program?
• What is my customer’s thirst for alcohol delivery?
• What are the regulations around alcohol delivery in my market?

STEPS TO TAKE

• Explore potential partners for delivery—insure they’re compliant with local alcohol delivery regulations
• Determine what beverages are best suited for delivery and whether new formats/packaging might be needed
• Examine pricing structure
• Raise visibility of alcohol delivery availability from your restaurant
Questions?

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