



IN **MARKET** **INSIGHTS**
COVID-19:
Spirits and Wine Impact Report

Overview

When restaurants, bars, wineries, clubs, and other settings where alcohol is served were either closed or dramatically impacted due to the COVID-19 pandemic, we assumed alcohol sales would dry up. However, according to Nielsen, quite the opposite has happened: alcohol sales are flourishing. In fact, alcoholic beverage sales jumped **55%** in the third week of March compared to the same time a year ago, and are accelerating at a faster pace than the **28%** sales YOY increase seen for the week prior. Looking at specific groups within the alcohol category, spirits sales grew the fastest: a whopping 75% YOY followed by wine at 66%, flavored malts and ciders at 42%, and beer at 34%.

At the peak of the pandemic, **95%** of Americans were under stay-at-home orders--leaving regular patrons of restaurants, trendy craft cocktail bars, and other venues with liquor to find themselves sitting at home instead. As a result, the retail alcohol industry is **booming**, and new, notable patterns are emerging as people adapt to what has become the "**new normal**." By observing the purchase trends of wine and spirits, we've uncovered that consumers are gravitating towards value-priced brands during these times of economic uncertainty.

In this report, we've leveraged InMarket's data to rank the most popular spirits and wine brands that consumers are buying during the COVID-19 pandemic.

How We Did It

InMarket used permission-based, first-party, SDK-derived location data from over 50 million+ Comscore-verified active users to analyze purchase patterns and historical data. InMarket's Impact Report: COVID-19 Spirits and Wines leveraged 2 key data sources:

1. InMarket's proprietary panel of 1,000 randomly selected, permission-based, anonymized U.S. credit card/debit card consumers
2. Various third-party, permission-based data sources including sales data collected from a panel of 60,000 app users in the U.S.

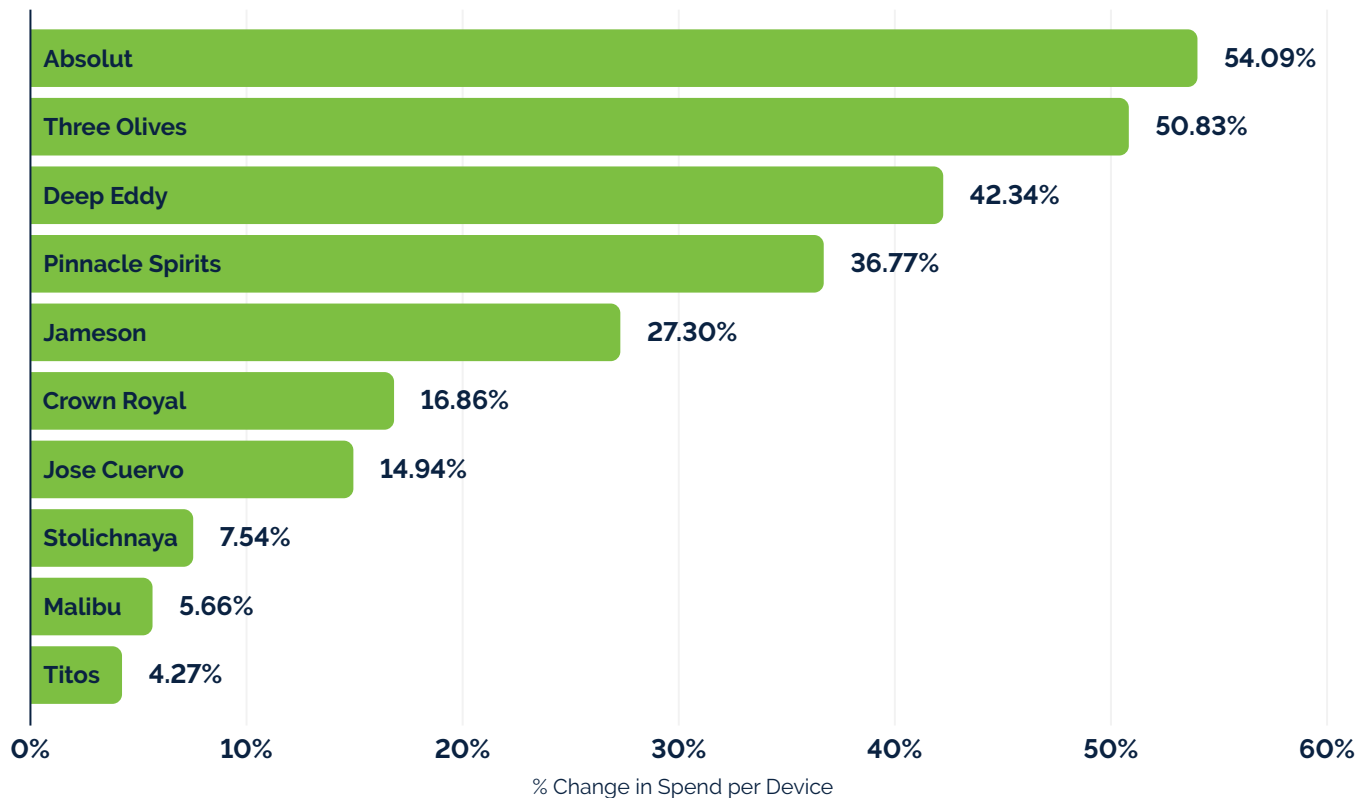
To calculate the increase in spending, InMarket measured the average dollar spend per device for wine and spirits brands during January-March 2020 vs. March-April 2020. We then calculated the percent difference between these two dollar amount averages and ordered the top wine and spirits brands from the highest percent change to the lowest percent change.

For more information about methodology or additional real-world recommendations around appropriate targeting, channel, content, and messaging strategies and tactics, visit [**InMarket's COVID-19 InSights Center**](#) or contact your InMarket representative.



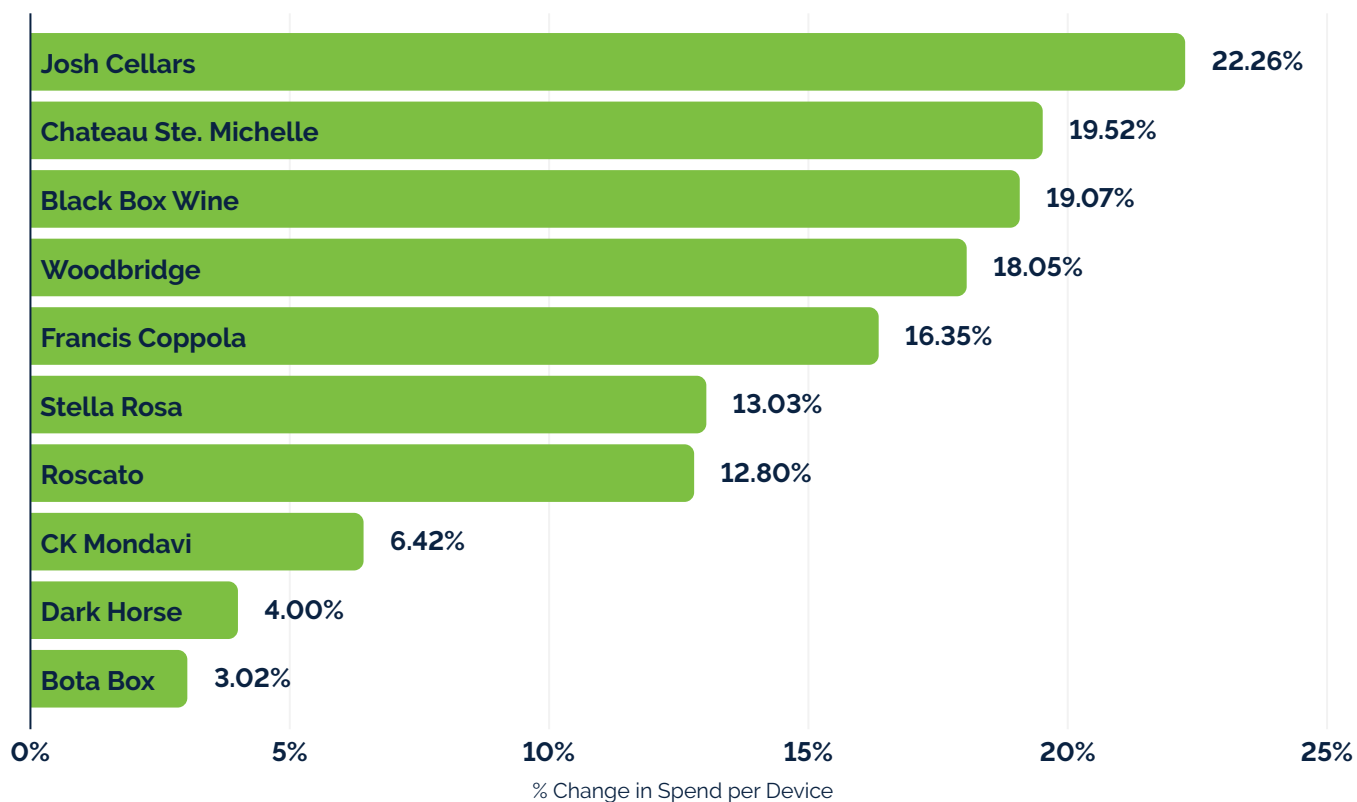
Top 10 Spirits Brands by Spend per Device

Based on InMarket Data from 50 Million+ Comscore-Verified Consumers



Top 10 Wine Brands by Spend per Device

Based on InMarket Data from 50 Million+ Comscore-Verified Consumers



Key Takeaways

The lone import tequila brand, **Jose Cuervo**, has made it to the top 10. While Mexico's tequila exports jumped **43%** over the same period, Beale (Jose Cuervo's parent company) increased exports by **55%** from a year earlier. In addition to stockpiling due to COVID-19, this boost may also be a result of shoppers stocking up for Cinco de Mayo as well as publicity from their #CincoToGo **contest** where Jose Cuervo randomly selected winners to pay for their food orders.

Value-priced wines are naturally the top choices for people who are budgeting and keeping a close watch on their expenses during the pandemic. 5 of the top 10 brands appear on **The Beverage Information & Insights Group's** Highest-Selling Growth Brands: Black Box, Bota Box, Chateau Ste. Michelle, Josh Cellars, and Dark Horse can be typically found anywhere for \$8-12 at retail stores. Additionally, boxed wines—like Black Box and Bota Box—have become an at home favorite, offering both value and volume and can be typically found for under \$27 for 3 liters.

Prices for wine are falling due to a grape surplus. Overall the price of wine including higher end brands is expected to drop to a five-year low due to a surplus of California grapes. In addition, According to a **2020 Silicon Valley Bank's State of the U.S. Wine Industry Report**, wine priced below \$11 is now in jeopardy of joining the below \$9 segment and pricing pressures are expected to continue for the next 3 years.

Several of the top 10 spirits brands have committed to producing **hand sanitizer** to replenish massive shortages: Pernod Ricard (producer of Absolut, Jameson, and Malibu), **Deep Eddy** and **Titos** have **committed** to converting their distilleries to produce the bacteria-killing product.



INMARKET

At InMarket, we analyze opted-in, always-on location data from 50 million+ Comscore-verified active users in order to understand real-world trends. These hyper-accurate SDK integrations with the world's most popular apps also enable one-to-one brand engagement at precise moments that drive industry-leading campaign results.

To view additional Report Cards, please visit [InMarket InSights](#). To learn about how InMarket's advanced segmenting and one-to-one in-store and out-of-store advertising programs can help you drive business, please [contact us](#) today.