

Tuesday, 23 March 2021

Online alcohol sales soar in 2020, but will this market continue to grow in a post-COVID environment?

New data from Roy Morgan shows online purchases of packaged alcohol rose quickly during the early and middle parts of 2020 before declining gently into year-end.

Over the full year of 2020 nearly 6 million Australians bought packaged alcohol in an average seven days whether in store, online, over the phone or some other way.

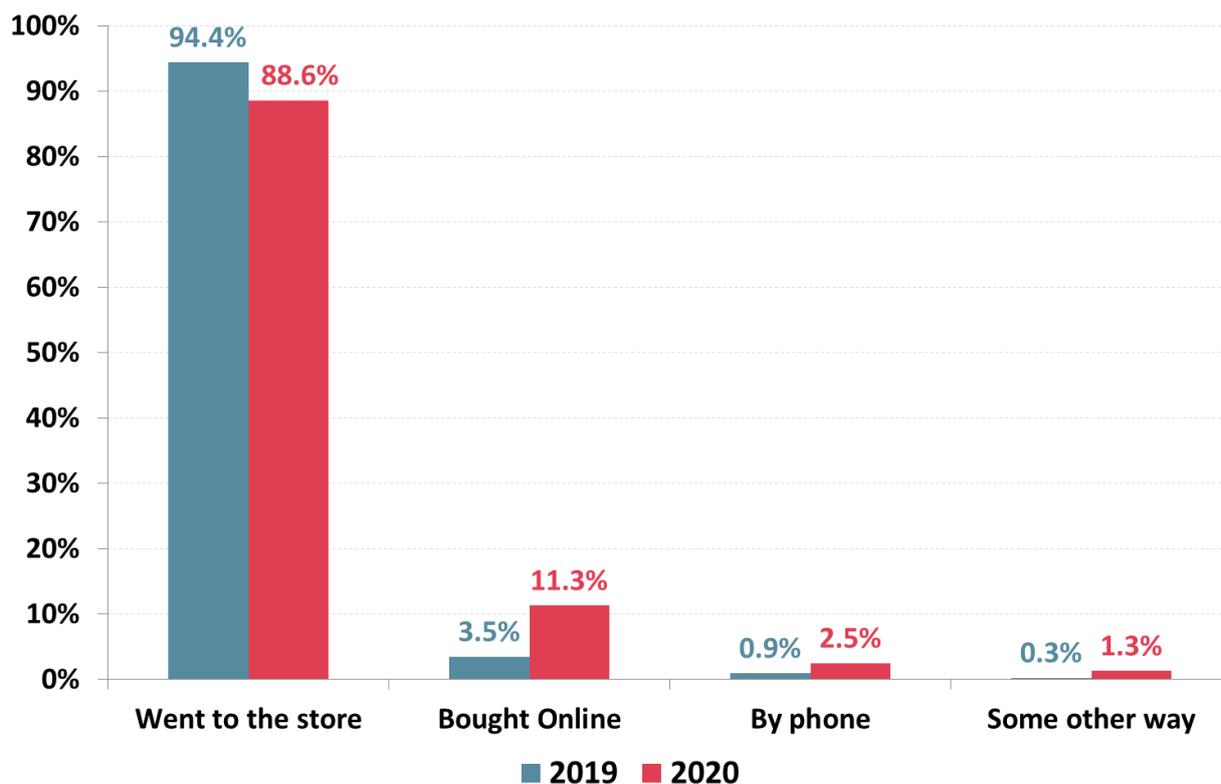
Over one-in-ten of these Australian packaged alcohol buyers (11.3%) bought alcohol online, more than tripling the figure of 3.5% for 2019 – an increase of almost 8% points.

This represented a huge increase in the online alcohol market but despite a nation-wide lockdown, and a four month long second lockdown in Victoria, a vast majority of 88.6% of Australian packaged alcohol buyers bought alcohol at a store, down nearly 6% points from 2019.

In addition, in 2020 a further 2.5% (up 1.6% points) of Australian packaged alcohol buyers bought alcohol by phone and 1.3% (up 1% point) bought alcohol some other way.

Analysing the results on a quarterly level shows online buying of packaged alcohol peaked at 15.4% of packaged alcohol buyers in the September quarter 2020 before gently declining to 12.0% in the December quarter 2020.

Alcohol sales by channel: Visiting a store vs. buying online: 2019 vs. 2020



Source: Roy Morgan Single Source, Jan.-Dec. 2019, n=3,177, Jan.-Dec. 2020, n=10,609.

Base: Australians aged 18+ who buy packaged alcohol in an average seven days.

Note: Some people answered 'Can't say' (less than 3% of respondents) and are not included in the chart above. There are also some people who buy alcohol in more than one place.

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Roy Morgan CEO Michele Levine says the COVID-19 pandemic which began in 2020 produced huge dislocations across many retail markets as people flocked to online outlets to buy goods, but will these huge shifts in the market prove enduring when we enter the post-pandemic period?

“The last year has seen unprecedented changes to the way Australians interact and go about their daily life forced by strict lockdowns enforced nation-wide during March – May 2020 and on several other occasions since then to deal with localised outbreaks of the virus.

“The retail industry has been one of the hardest hit with a huge drop in retail sales in [April 2020 \(down 17.7% month-on-month\)](#) during the nation-wide lockdown but then a huge rebound in the months that followed as the Government pumped hundreds of billions of dollars into Australians’ pockets over the last year. The most prominent stimulus was the JobKeeper wage subsidy which is due to end in the next fortnight at the end of the month.

“Hospitality businesses were hardest hit with the forced closure of restaurants, cafes, bars and hotels during the lockdown and restrictions on dining during other periods. The closure of these businesses for extended periods forced Australians to purchase these goods from supermarkets and other food and liquor outlets.

“Although liquor stores were able to stay open throughout the lockdowns there was a definite impact on how Australians bought their packaged alcohol in 2020 compared to 2019. To be sure, most Australians who bought packaged alcohol in 2020 (88.6%) bought alcohol from a store, but this was down almost 6% points from 2019.

“Taking up the slack was the fast-increasing proportion of Australian packaged alcohol buyers going online for their liquor purchases, up nearly 8% points to 11.3% for the year. It’s true the proportion buying online peaked at 15.4% in the September quarter 2020, but even during the relatively restriction-free December quarter 2020 a sizeable 12.0% were still buying online – up nearly 10% points on 2019.

“Perhaps surprisingly those packaged alcohol buyers aged 35-49 (13.2%) are the most likely to have bought alcohol online during 2020, just ahead of their younger peers aged 25-34 (12.8%) and 18-24 (12.5%). People in Capital Cities (12.8%) were more likely than those in Country Areas (8.3%) to buy packaged alcohol online but there was negligible difference between men (11.8%) and women (10.5%).

“The last few weeks have seen the rollout of COVID-19 vaccines in Australia commence with the Federal Government aiming to vaccinate all Australians who want the treatment by October 2021. The question surrounding the liquor market in particular will be whether the online sales of liquor hold up at or near the levels of late 2020 or decline further over the course of this year back towards their pre-COVID-19 level of only 3.5% of packaged alcohol buyers.

“Liquor outlets that have successfully sold their products via online channels over the past year will be hoping Aussie packaged alcohol buyers keep up with their online purchases as the average spent buying liquor online in a week is \$124 compared to only \$71 when buying in store – a difference of over \$50.”

To find out more about Roy Morgan Single Source data or to further explore Australian consumer behaviour and trends in the Australian retail market as well as alcohol consumption trends call (03) 9224 5309 or email askroymorgan@roymorgan.com.

About Roy Morgan

Roy Morgan is the source of the most comprehensive data on Australians’ behaviour and attitudes, surveying 1,000 people in a continuous cycle that has been running for two decades. The company has more than 75 years’ experience collecting objective, independent information. To go deeper on this or any other subject, ask Roy Morgan.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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