

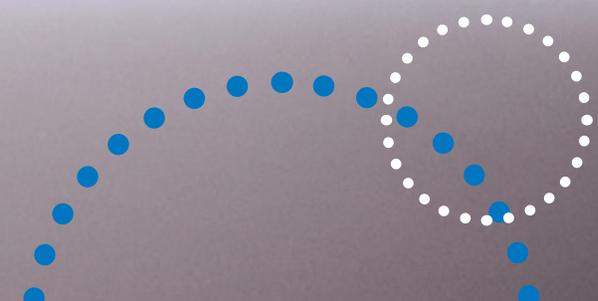


# THE DIGITAL SHOPPER-FIRST SHELF

Navigate and optimize eCommerce  
for total beverage alcohol



 CONNECT  
**SHOPPERFIRST**  
by Constellation Brands



## THE BEVERAGE ALCOHOL OPPORTUNITY WITH eCOMMERCE

**Online shopping is not new to today's shopper; in fact, it's become a go-to shopping method for all sorts of products, including groceries—with no sign of slowing down.**

Beverage Alcohol is no exception. While the category may lag in eCommerce adoption compared to other categories, recent growth rates, shopper preferences and expectations paint an online opportunity that cannot be ignored. In 2020, 3-Tier eCommerce (3TE) alone for beverage alcohol is estimated to grow +30-40% from \$1.6B to \$2.1B.<sup>1</sup>

## THE SHOPPER'S PERSPECTIVE

**Today's shoppers digitally-engage with other categories such as clothing and electronics and expect the same for beverage alcohol. They don't see beverage alcohol as different and have similar expectations to discover and inform their purchases.**

Shoppers will continue to increase their expectations for a seamless, convenient and personalized online shopping experience—enabled by emerging technologies and quicker delivery speeds.

<sup>1</sup>Rabobank and Constellation Brands estimates

<sup>2</sup>Constellation Brands Digital Path to Purchase Study as mentioned in Rabobank's *The 2020 Alcohol eCommerce Playbook*

### WHAT IS 3-TIER ECOMMERCE (3TE)?

3-Tier eCommerce operates within the existing 3-Tier system as tied house rules still apply to eCommerce. Alcohol must route from manufacturer, to distributor, to a licensed retail partner who may sell online, in-store, or both.

### WHY ARE ONLINE BEV ALC SHOPPERS VALUABLE TO RETAILERS?

**+135%**

The value of an online basket is **+135%** higher when alcohol is purchased.<sup>2</sup>

**+83%**

Online alcohol shoppers spend **+83%** more dollars online than in-store.<sup>2</sup>

**+10%**

When shoppers start to buy alcohol online, their overall (omnichannel) spend increases by nearly **+10%**.



## IMPACT OF eCOMMERCE EXTENDS INTO THE STORE

**The value of eCommerce goes beyond online sales, as a retailer's digital presence can drive *in-store* sales as well.**

In fact, **26%** of Food & Beverage sales are estimated to be digitally influenced<sup>3</sup>, meaning shoppers' in-store purchases are shaped by the retailer's website and social media accounts—whether they're preparing a shopping list or already in-store researching product information on their phone.

It is imperative to recognize that the role and value of eCommerce is twofold, as it has the power to both drive purchases online *and* influence in-store sales.

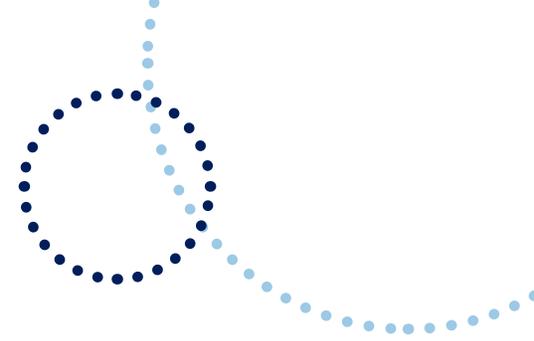
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## TAKE ACTION TODAY

**Ensure you are meeting shoppers where they are - whether they are *purchasing* beverage alcohol online or *researching* online to inform an in-store purchase**

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<sup>3</sup> Forrester Analytics, Digital-Influenced Retail Sales Forecast



## WELCOME TO THE DIGITAL SHOPPER-FIRST SHELF

Today’s shopper will only become more demanding in their online shopping experiences. The following pages provide a sampling of key insights and actions to help our valued partners navigate and capitalize on the online beverage alcohol opportunity.

### ◆ STEP 1: DETERMINE YOUR BEVERAGE ALCOHOL eCOMMERCE STRATEGY

	OPTION A Owned eCommerce	OPTION B 3 <sup>rd</sup> Party Marketplace Partnership
	<b>Build your own eCommerce website experience</b>	<b>Open a digital storefront on a 3<sup>rd</sup> party marketplace</b>
	Platforms that specialize in beverage alcohol eCommerce:	
	   	  
<b>How it Works</b>	<ul style="list-style-type: none"> <li>• “Digitize” your current store experience</li> <li>• Continue to own alcohol license, inventory, pricing, and fulfillment/delivery responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with a 3<sup>rd</sup> party that provides a digital storefront on their marketplace</li> <li>• 3<sup>rd</sup> party partner largely focuses on bringing traffic to the marketplace and may offer fulfillment/order delivery capabilities</li> <li>• Retailer continues to own alcohol license, inventory and pricing</li> </ul>

**NOTE:** Option A & B are not mutually exclusive; you can do both simultaneously



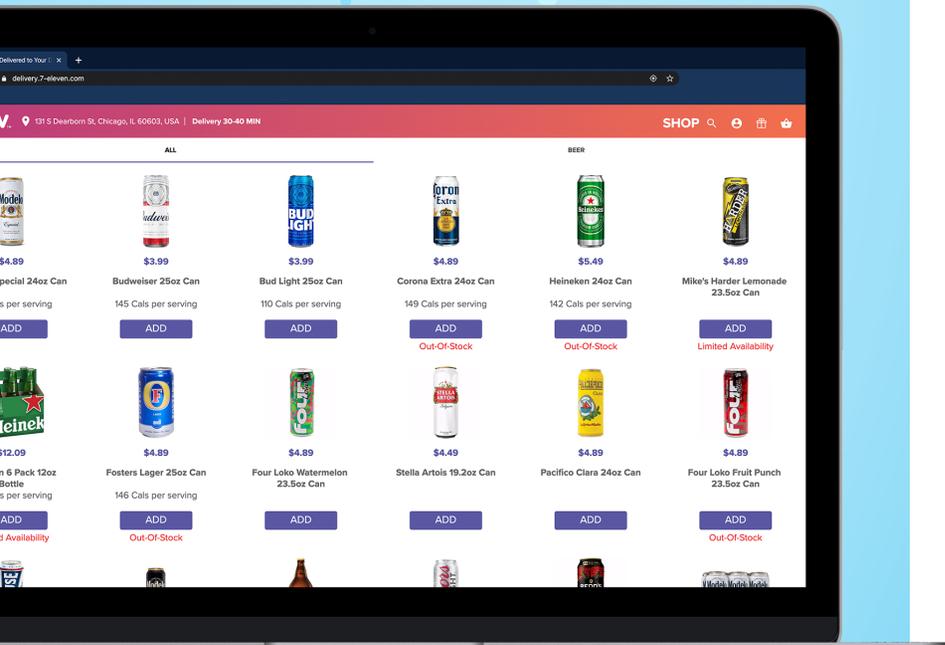


OPT. A

## OWNED eCOMMERCE

### WIN WITH AN EASY & ENJOYABLE SHOPPER-LED EXPERIENCE

Building and owning your eCommerce experience allows full control of the end-to-end shopper experience and the profits. However, it also requires investment to overcome hurdles such as building and managing a website, enhancing website navigation and optimizing search engine results.



## TAKE ACTION



### BUILD AN EXPERIENCE FOR MOBILE

74% of online beverage alcohol purchases happen on a mobile device; make sure to optimize for mobile viewing.



### DESIGN FOR HOW SHOPPERS BROWSE AND SEARCH ONLINE

Organize your products (“site taxonomy”) as you would in your stores to make it easy for shoppers to find products. Optimize search results by adjusting for synonyms (hard seltzer = spiked seltzer), spelling errors (shardonay, wiskee) and search intent (e.g. showing “beer” products before “root beer” products).



### DEFAULT PRODUCT RESULTS SORTING BY TOP SELLERS OR HIGHEST BRAND AWARENESS

Quickly orient shoppers by making anchor brands visibly prominent and first in product listings (similar to strategies used in store aisles). For example, Corona and Bud Light are the most-searched brands for the beer category, and therefore recommended to be at the top of Beer product listings.<sup>4</sup>



### ENSURE “ADD TO CART” OPTION IS ALWAYS AVAILABLE

Empower shoppers to easily “add to cart” to reduce purchase friction and minimize cart abandonment.

<sup>4</sup> Constellation Brands Retailer Search Term Research, Jan 2020 L12M

## OWNED eCOMMERCE

### TAKE ACTION (CONTINUED)

#### PROVIDE ACCURATE AND RELEVANT PRODUCT INFORMATION

On the Product Details Pages (PDP), provide accurate and relevant product information to aid shoppers in their purchasing decision. This includes product/label images, descriptions, ratings & reviews, pricing, inventory, and if the product is available cold.

See *Perfect Details Page call-out to the right.*

#### MAKE THE CHECK-OUT EXPERIENCE FRUSTRATION-FREE

The online check-out experience should be quick and intuitive. Avoid cumbersome checkout pages, accept multiple forms of payment, and offer various fulfillment/delivery options.

## THE PERFECT PRODUCT DETAILS PAGE

**TIP:** Your supplier and wholesaler partners should be able to provide their product information to you so you don't have to generate this yourself!

- 1 Hero Product Image
- 2 Basic Product Content
- 3 Accurate Product Name
- 4 Price
- 5 Image Carousel
- 6 Ratings (and Reviews)
- 7 Product Location & Inventory Levels

Grocery > Beverages > Wine > Sauvignon Blanc

**Kim Crawford Marlborough New Zealand Sauvignon Blanc Wine 750 ml**

★★★★★ 4.8 (95 reviews)

**\$16.99**

1 2 3 4 5 6 7

1 SOUTH DEARBORN Chicago, IL 60603 312-280-1599 | Directions

0.23 mi away **6-9 In Stock** Aisle 5

Kim Crawford Sauvignon Blanc White Wine features the refreshing fruit flavors of passion fruit, melon, and grapefruit, making this Marlborough region white wine a brilliant complement to seafood or salad.

ABV:	14%	Wine Spectator:	90
Region:	Marlborough, New Zealand	Flavor Profile:	Fresh, Fruity, Crisp
Color:	Platinum Glow	Food Pairings:	Shellfish, Salads & Greens

OPT.  
B

## 3<sup>RD</sup> PARTY MARKETPLACE PARTNERSHIP

### WIN WITH ASSORTMENT, PRICING, AND QUALITY OF SERVICE

Partnering with a 3<sup>rd</sup> Party Marketplace provides a quick and easy way to tap into eCommerce. After identifying the right partner(s) for you, simply upload your assortment, pricing, and inventory levels. However, the ease of use and built-in traffic of these platforms means less control of the end-to-end shopper experience.

### TAKE ACTION

#### CATALOG ALL AVAILABLE PRODUCTS

Ensure your entire assortment is represented online—including top-sellers and harder-to-find items. Be mindful of maintaining inventory levels to avoid out-of-stocks.

#### PRICE ITEMS TO DRIVE TRAFFIC

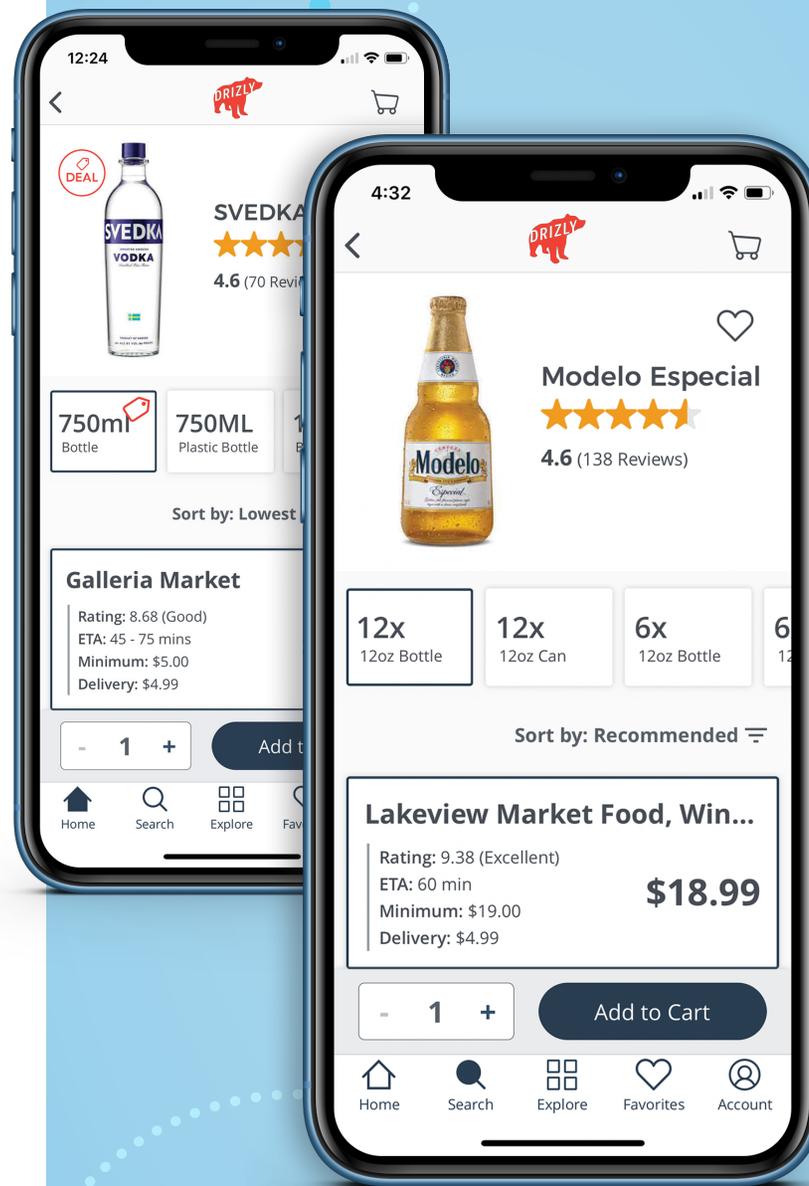
Use popular products to hook-in traffic and encourage basket building with offer bundles.

#### ESTABLISH FULFILLMENT COSTS

Balance the benefit of winning the sale with profitability considerations such as shipping area and free shipping thresholds.

#### RELIABLY FULFILL ORDERS

Accuracy and timeliness matter. Marketplaces—and shoppers—reward retailers that offer reliable service. For the shopper, paying an additional \$1 in the retail price for dependable service may be worth it.



◆ **STEP 2:**

**DRIVE SHOPPER AWARENESS**

**TELL SHOPPERS ABOUT THEIR BEVERAGE ALCOHOL OPTIONS ONLINE**

The most significant barrier to online shopping for beverage alcohol is lack of awareness. **65%** of shoppers who purchased groceries (but not alcohol) online said they were NOT aware purchasing alcohol was an option. **Regardless of your eCommerce approach, ensure shoppers are aware of the opportunity to buy alcohol online from your store.**

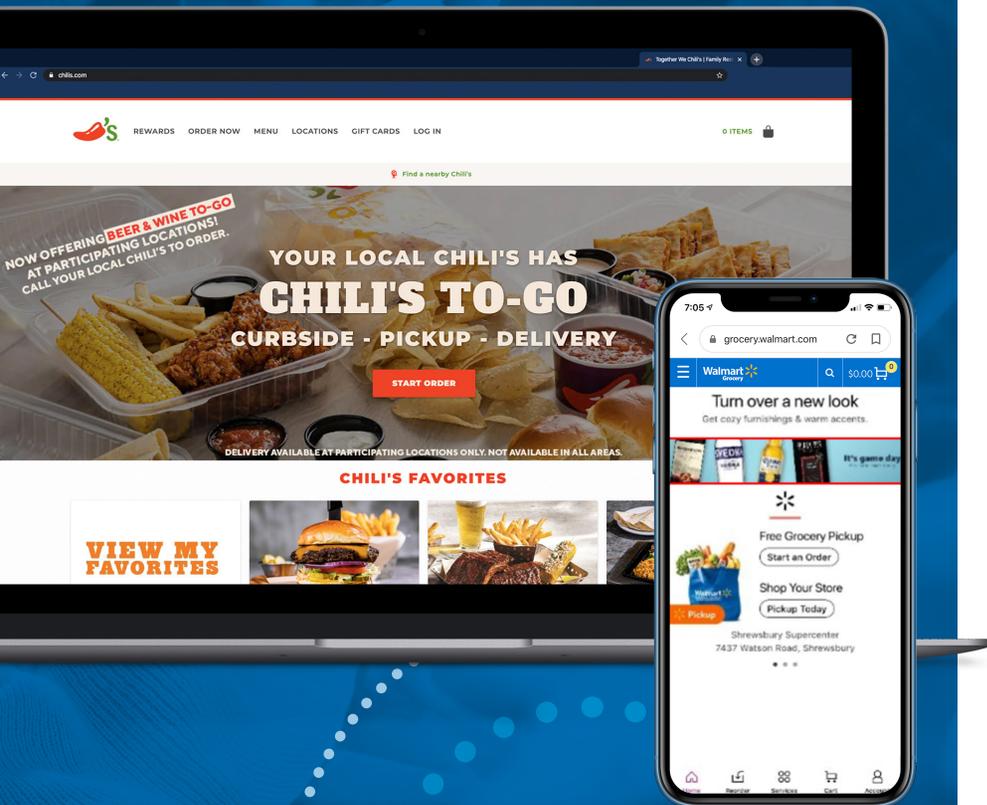
**TAKE ACTION**

● **MARKET BEVERAGE ALCOHOL ONLINE CAPABILITIES AND SERVICES**

Include beverage alcohol online shopping messaging with in-store marketing, ads, digital marketing and social media. Market to existing shoppers who may already shop online for other categories, as well as those who are not. Reach new customers and differentiate from competition with your online offering.

● **INCREASE VISIBILITY OF THE BEVERAGE ALCOHOL CATEGORY**

For retailers who sell more than beverage alcohol products, ensure “beer, wine, & spirits” is presented as a standalone category in the website layout. Shoppers should be able to easily identify that beverage alcohol is available for purchase online. Promote beverage alcohol categories in site banner ads to generate awareness and adoption.



### ◆ STEP 3:

## LEARN AND ITERATE

The digital world and shopper behaviors are constantly evolving. As a result, commitment to continuous improvement is key to any successful eCommerce strategy. Ensure you are delivering on shopper satisfaction and maximizing sales opportunities by regularly engaging shoppers for feedback and ratings, reviewing site or app analytics, and implementing necessary enhancements.

**Understanding shopper behavior will give you a competitive edge in both online and offline marketplaces.**

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**Interested in learning more about eCommerce and how to optimize your platform for growth?**

Reach out to your local Constellation Brands contact for more information on how to take action and get started today.

