

A young man with dark hair is lying in bed, looking up at a smartphone held above him. The phone's screen is illuminated, casting a soft glow on his face. The background is dark, suggesting a nighttime setting. A blue square is visible on the left side of the page.

ONLINE & DELIVERED ALCOHOL DURING COVID-19

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Foundation for Alcohol Research & Education



ABOUT FARE

The Foundation for Alcohol Research and Education (FARE) is a not-for-profit organisation working towards an Australia free from alcohol harms.

We approach this through developing evidence-informed policy, enabling people-powered advocacy and delivering health promotion programs.

Working with local communities, values-aligned organisations, health professionals and researchers across the country, we strive to improve the health and wellbeing of everyone in Australia.

To know more about us and our work, visit fare.org.au

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EXECUTIVE SUMMARY

This report provides an analysis of the website traffic of online alcohol retailers from 2018 to 2020 to observe changes in website traffic.

This report also examines whether any controls are in place to prevent alcohol being sold to children online.

The nine websites included in this analysis had an estimated 148 million visits in 2020, an increase of 37 million views (34 per cent) compared to 2019.

Websites of the four biggest online retailers — Dan Murphy's, BWS, Liquorland and First Choice Liquor — were collectively visited an estimated 134 million times in 2020.

These online alcohol websites, owned by Endeavour Group (formerly part of Woolworths Group) and Coles, have experienced website traffic increases between 21 per cent and 39 per cent during 2020.

In 2020, annual online alcohol website visits increased by more than three times as much as it has between 2018 and 2019.

Of the nine websites assessed, none used online age verification methods to check for proof of age, instead relying on date of birth entry or tick box processes, which are easy to falsify.

Alcoholic product use increases the risk of many hidden harms in the home, including family violence, child neglect and self-harm. It also contributes to a range of cancers and other chronic diseases.

Regulation has not kept pace with the change in the way that alcohol retailers sell alcoholic products online. There are insufficient controls, with most states and territories relying on alcohol companies themselves to monitor their own behaviour through a voluntary 'code'.

This increases the risks of alcohol harms, including underage drinking that can harm the developing brain, alcohol dependence and alcohol-related family violence.

BACKGROUND

Online alcohol retailers include a range of companies that sell packaged alcoholic products to people over the internet. Online alcohol retailer revenue has increased at an average annual rate of 19.1 per cent since 2016, bringing the revenue to an expected \$1.8 billion in 2021.¹

Endeavour Group is the largest online alcohol retailer, accounting for 47 per cent of online alcohol retail sales in Australia. Coles Group, the country's second largest online retailer, has the next largest share at 13.8 per cent.² Other retailers include companies such as Naked Wines, Boozebud and Metcash, which owns Cellarbrations, Thirsty Camel and other brands.

Endeavour's dominance of online alcohol retail sales extends to the delivery of alcohol purchased via mobile applications. Endeavour Group-owned Dan Murphy's, BWS, and Jimmy Brings have the highest number of downloads of online alcohol applications on Google Play. Smaller companies such as Boozebud, Tipple, and Liquoroo have launched mobile applications in an effort to seize the market share in this growing sector.

The revenue for online alcohol retail rose by 22 per cent in 2020, surpassing previous growth rates. IBISWorld expects this record growth to continue into 2021, with growth of 27 per cent prior to lower forecast revenue growth in 2022.³

APPROACH

This analysis examines data on website traffic to some of the largest online platforms for alcohol products in Australia.

Online alcohol retail website visits were examined because they are indicative of an intention to purchase or use alcoholic products. The analysis focused on Semrush website traffic data from 2018 to 2020. Semrush is an online marketing research service that collates data estimates for website visits, unique visitors, and website dwell time across mobile and desktop devices.

The analysis also sought to assess the impact of COVID-19 and the associated restrictions on website traffic for online alcohol retailers.

Sixteen online alcohol retailers were identified using IBISWorld and online searches. Nine were selected for the analysis, based on the number of website visits and the medium-to-high level of accuracy of the available website visit data:

- Dan Murphy's
- BWS
- Liquorland
- First Choice Liquor
- Cellarbrations
- Vintage Cellars
- Boozebud
- Naked Wines
- Vinomofo

The analysis of online alcohol retailers was extended to an examination of retailers' publicly disclosed sales data and an assessment of mobile phone application downloads.

Finally, the analysis included an audit of how alcohol retailer websites verify that site visitors are over 18 years of age. The audit involved checking what method is used: whether it is a 'tick box' to say you are over 18, manual date of birth entry, or using established technology to verify age through identity document authentication.

FINDINGS

WEBSITE TRAFFIC

Overall, the assessed websites saw a significant increase in traffic from 2019 to 2020. Table 1 shows that in 2020, the nine assessed websites had an estimated 34 per cent increase or 37 million more website views compared to 2019. This was more than triple the website traffic growth seen between 2018 and 2019.

In 2020, total website visits increased to 148 million,⁴ of which 134 million visits were to the four largest online retailers, Dan Murphy's and BWS, owned by Endeavour Group, and Liquorland and First Choice, owned by Coles.

TABLE 1: ONLINE ALCOHOL RETAILER WEBSITE VISITS

Company	Parent company	2018 website visits	2019 website visits	2020 website visits	% increase 2018 to 2019	% increase 2019 to 2020
Dan Murphy's	Endeavour	54,216,071	58,176,655	81,029,785	7.3%	39.3%
BWS	Endeavour	17,695,230	20,939,416	28,373,725	18.3%	35.5%
Liquorland	Coles	9,631,894	11,801,786	14,406,336	22.5%	22.1%
First Choice Liquor	Coles	7,820,127	8,798,227	10,680,465	12.5%	21.4%
Vintage Cellars	Coles	2,288,457	1,706,060	2,123,918	-25.4%	24.5%
Cellarbrations	Metcash	2,269,250	2,003,900	1,965,607	-11.7%	-1.9%
Boozebud	Private company (formerly Carlton & United Breweries)	2,210,124	2,142,688	4,170,907	-3.1%	94.7%
Naked Wines	Majestic Wines (private UK company)	2,495,773	2,820,902	3,476,816	13.0%	23.3%
Vinomofa	Private Australian company	1,539,098	2,086,238	2,054,216	35.5%	-1.5%
Total		100,166,024	110,475,872	148,281,775	10.3%	34.2%

Most websites experienced visitor growth beyond 20 per cent from 2019 to 2020. For most of the websites (7 of the 9), this growth far exceeded their previous growth rate from 2018 to 2019. Particularly high growth was seen by Dan Murphy's with 39 per cent growth in 2020 (an additional 22 million views) and Boozebud with 94.7% growth (an additional 2 million views).⁵

Visits to online alcohol retailers traditionally follow a consistent series of peaks and troughs that includes growth during the year and a significant spike in November and December. However, the 2020 website visitor numbers did not follow this trend. In 2020, there was a large spike in visits to online alcohol retailer websites, just as COVID-19 restrictions commenced in Australia in March and April. Website visitor numbers remained higher than pre-pandemic levels throughout the year, with increases in traffic occurring in April and July, and a record spike in December.

Chart 2 shows that across most online alcohol retailers, the COVID-19 affected period delivered consistently high website traffic in excess of long-term growth trends.⁶ Dan Murphy's is the largest online alcohol retailer in Australia, with more than five times more website traffic in 2020 than Liquorland, its closest competitor outside of Endeavour Group. Dan Murphy's website visits increased from 58 million in 2019 to 81 million in 2020, a 39 per cent increase (Table 1).

CHART 1: INCREASE IN WEBSITE VISITS FROM 2019 TO 2020 (%)

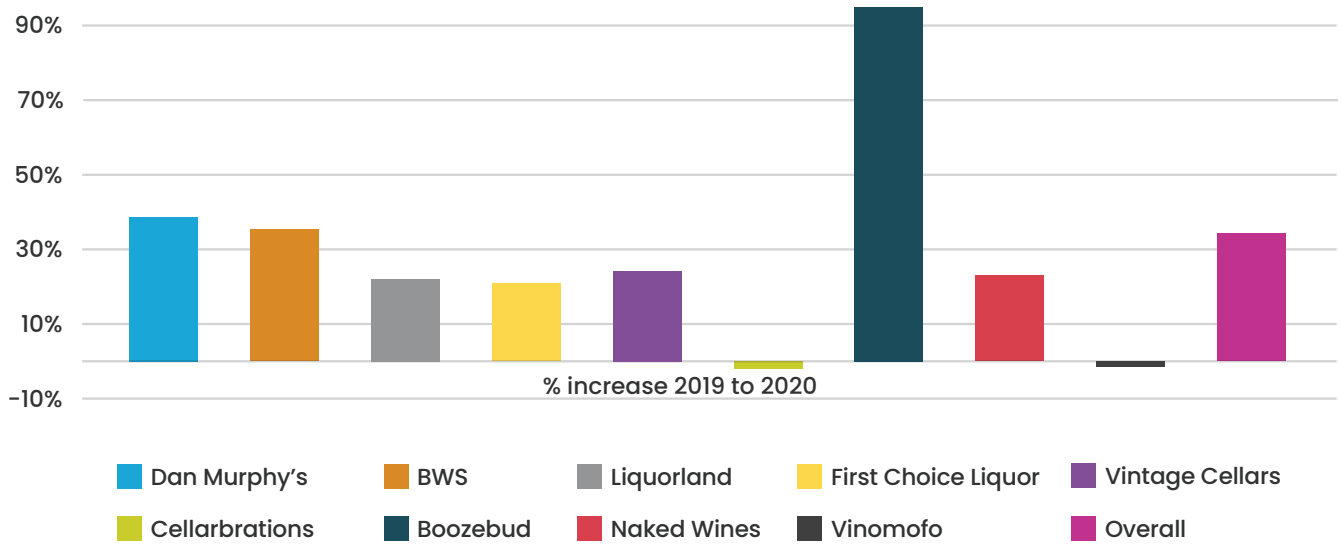
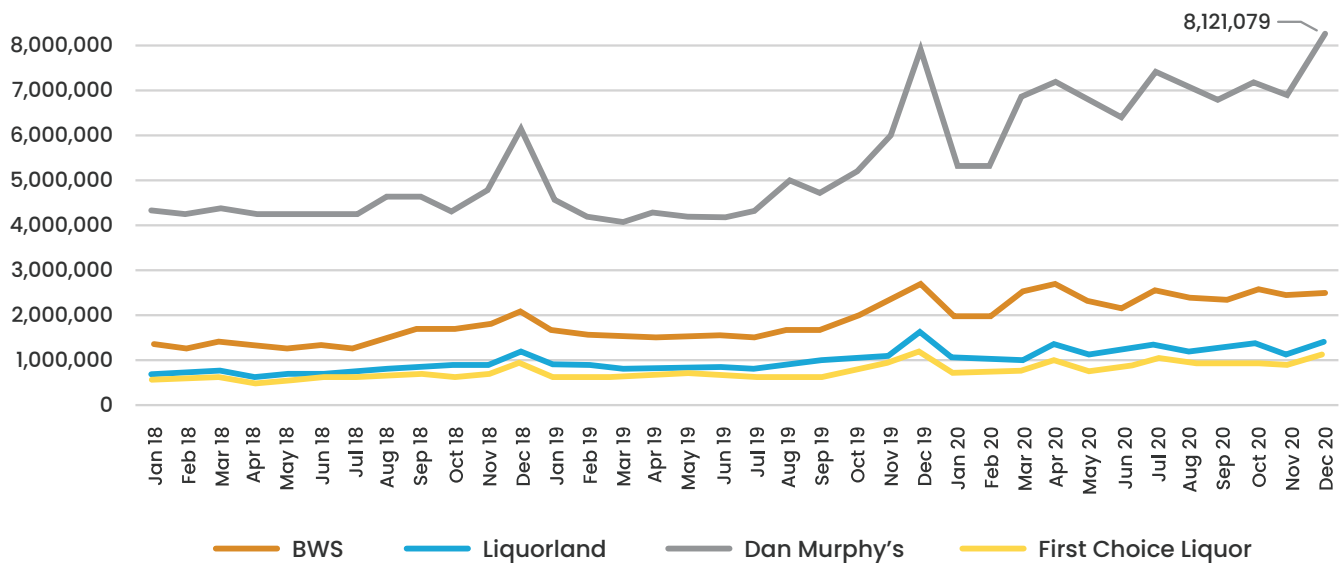


CHART 2: WEBSITE VISITS FOR FOUR MOST POPULAR ONLINE ALCOHOL RETAILERS



ONLINE ALCOHOL DURING THE PANDEMIC

As existing online alcohol retail and delivery websites saw substantial and sustained growth during the pandemic, several companies launched online alcohol platforms in an effort to enter the market.

Metcash launched its own online website on 6 April 2020, at the start of the pandemic, called Shop MyLocal.⁷ Metcash is Australia's second largest network of bricks-and-mortar alcohol retail outlets with brands such as Cellarbrations, the Bottle-O, and IGA Liquor.

Boozii, a brand created by the events company Wats on Events, is an alcohol delivery website created in response to the pandemic.⁸

Global online retailer Amazon also launched online alcohol delivery during the pandemic. Amazon's alcohol delivery was announced on 10 June 2020, adding another retailer to the market.⁹

Many other smaller bars and pubs opened takeaway and alcohol delivery, with particular focus on serving their own geographic area. These new retailers utilise delivery companies such as UberEats, Menulog, and Deliveroo, or complete the delivery themselves.

While there is data on the larger alcohol retailers, it is difficult to quantify the number and magnitude of new, smaller participants in the online and alcohol delivery markets that commenced during 2020.

Publicly listed companies provide more published information, particularly around sales and revenue growth, the tangible outcomes of increased website visits and alcohol purchases.

The half-year earnings report of Coles revealed online liquor sales growth of 90 per cent from the second half of 2019 to the second half of 2020.¹⁰ This growth accelerated the already significant growth seen for financial year 2019-20, when Coles had 40.3 per cent growth in online sales, which it attributed to "targeted investment in online platforms." Despite this large growth, Coles said that there is further "headroom for growth online."¹¹

EndeavourX, Endeavour Group's online retailing arm, experienced online sales growth of 28.6 per cent to \$637 million in financial year 2019-20.¹² In their half yearly report for the second half of 2020, EndeavourX reported sales growth of 50.2 per cent, with sales of \$800 million across the 2020 calendar year.¹³

In April 2020, Endeavour-owned Jimmy Brings said that "there's also been a huge year-on-year increase in order volume with a 152 per cent (increase) compared to the same time last year." Jimmy Brings also said that their new customers had grown 23 per cent in comparison to the same time in the previous month.¹⁴

Boozebud, formerly owned by Carlton & United Breweries and now owned by the company founders, has over 250,000 customers with revenue growth of more than 500 per cent between 2018 and 2020.¹⁵

MOBILE APPLICATIONS

In addition to website traffic, publicly available information on mobile applications was also analysed for the most popular Australian alcohol purchasing applications (Table 2).¹⁶ While application data is incomplete and underestimates the number of downloads due to Apple not publishing application download data, Google Play does provide rounded down figures.

Endeavour Group has the largest online alcohol retailing presence amongst applications and is significantly larger than Coles and other online alcohol companies. While Google Play data suggests Dan Murphy's application downloads exceed half a million since the app was created, the Woolworths Group (who formerly owned Endeavour Group) 2019-20 annual report reveals that total downloads for their Dan Murphy's and BWS applications was much higher, exceeding 900,000.¹⁷

TABLE 2: GOOGLE PLAY APPLICATION DOWNLOADS

Application	Google Play downloads (as at 13 January 2021)
Dan Murphy's	500,000+
BWS on tAPP	100,000+
Jimmy Brings	100,000+
Tipple	50,000+
Boozebud	10,000+
Liquoroo	10,000+
Naked Wines	10,000+
Thirsty Camel	5,000+
Bottlemart	5,000+
Hello drinks	1,000+

Note: Global applications and applications that include both alcohol and food, such as UberEats, Menulog and Deliveroo have been excluded from the above table and broader analysis.

AGE VERIFICATION

The advent of online sales creates new risks for the potential sale of alcohol to children. In a physical shop selling alcohol, the sale and supply of alcohol occurs simultaneously, where proof of age documentation can be checked. This changes in the digital environment, as the sale occurs online and then the delivery occurs at a different time and place. Age needs to be verified at both points, ensuring neither the online sale nor the delivery is made to a child.

There are well-established digital tools to authenticate a person's identity and therefore their age. For example, Australia Post's Digital iD allows people to verify themselves once using an identity document, creating a reusable 'token' for transactions.¹⁸ This process means people's privacy is protected as retailers use the token instead of having to handle identity documents.

Not one of the nine retailers assessed uses such a method to verify a person's age when they visit their website.

As Table 3 shows, the nine retailers instead relied on people to either input into the website their age, date of birth or tick a box confirming they are over 18. This process is easy to falsify as any date can be inputted and it is not verified.

TABLE 3 – USE OF ONLINE AGE VERIFICATION PROCESSES ON WEBSITES

Retailer	Process (e.g. AusPost Digital iD)
Dan Murphy's	Not used
BWS	Not used
Liquorland	Not used
First Choice Liquor	Not used
Vintage Cellars	Not used
Cellarbrations	Not used
Boozebud	Not used
Naked Wines	Not used
Vinomofo	Not used

CONCLUSION

The year 2020, and in particular the post-March COVID-19 affected period of 2020, saw a significant increase in the sale of alcohol from retailers, both online and in-store.

Retailers have reported a large increase in online alcohol sales, made available for either in-person collection or delivered directly to people's homes.

The quantity and total value of alcohol sold from traditional retailers, including delivered alcohol, increased significantly in 2020 due to COVID-19.

The addition of new companies and the size of existing online retailers has accelerated the harms and risks associated with online alcohol sales. These harms include alcohol delivery to children and people who are intoxicated, increased levels of alcohol use, alcohol-related family violence, pressure on relationships, and other harms in the home such as child neglect and modelling poor drinking behaviour.

FARE's 2020 Annual Alcohol Poll found that for people receiving delivery within two hours, 70 per cent drank at risky levels on the day of delivery, including 38 per cent who drank more than 10 standard drinks that day.¹⁹

State and Territory Governments must appropriately regulate online sales and alcohol delivery, a sector which is increasing risks of alcohol harm in the home. The Federal Government also has a responsibility to ensure people's privacy and safety are protected online, particularly when alcohol companies are increasing their digital promotion of alcoholic products. It is incumbent upon governments to ensure that legislation and regulation is adequate, fit-for-purpose and is leading to reduced alcohol-fuelled harm.

Currently, alcohol retailers in Australia are not required to verify proof-of-age identification when selling alcohol online. This will change for New South Wales (NSW) in 2022 where it will become mandatory for the same day delivery of alcohol to include verification of a person's age online using identity authentication processes.²⁰

Beyond NSW, the need for other State and Territory Governments to introduce laws for online sale and delivery of alcohol is a pressing priority, to keep families and children safe from alcohol harm.

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