

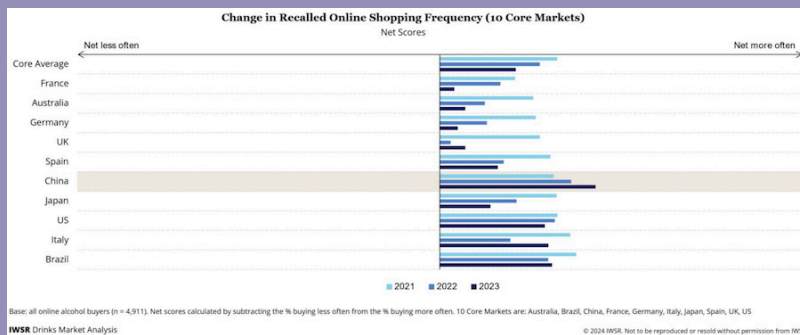


## Why Does China's E-Commerce Growth Continue to Defy Channel Norms?

by The IWSR Drinks Market Analysis, [www.theiwsr.com](http://www.theiwsr.com)

IWSR analyses the growth trajectory of alcohol e-commerce in China compared with other key markets.

Of the world's largest alcohol e-commerce markets, the only one in which e-commerce alcohol shopping frequency continues to reach new heights is China. The development of the D2C and on-demand channels have been key here, while the removal of Covid restrictions in late 2022 further boosted online sales.



Growth has also been driven by China's online buyer market penetration: more than half (53%) of all alcohol buyers shop online — almost double the incidence seen in any other major market. Additionally, IWSR data shows that 83% of non-users of the channel surveyed in 2023 said they were somewhat or very likely to buy alcohol online in the future, up from 71% in 2022.

Compare this with the U.S., where the online buyer penetration is only 14%. Interestingly though, the U.S. remains the second most valuable e-commerce market, and will continue to deliver some of the most growth globally, although at a lowered level due to a weak macro-economic environment and normalizing consumer behaviors.



### What, then, keeps China's e-commerce channel growing at such a high rate?

Online alcohol sales in the country expanded at a value CAGR of +16% between 2018 and 2022, building a 39% share of global e-commerce sales; IWSR forecasts a 2022-27 CAGR of +6%, increasing the global share figure to 40%.

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## Beam Suntory Rebrands to Suntory Global Spirits

Beam Suntory is rebranding to become Suntory Global Spirits, "reflecting the company's evolution into a truly global leader across categories in spirits and Ready-To-Drink cocktails," according to a company statement.

The new name is introduced as the company marks ten years of sustained, profitable growth since Suntory Holdings acquired Beam Inc. in 2014.

The company has grown significantly over this time period, from a \$2.5 billion-dollar company to a \$5.5 billion-dollar global spirits firm, and its team has also expanded, now comprised of more than 6,000 employees around the world. The rebrand includes the release of a new website and visual identity.

"Suntory Global Spirits demonstrates our global leadership and premium position in the market, while enabling us to build upon the strong and positive brand recognition that Suntory has worldwide," said Greg Hughes, President and CEO of Suntory Global Spirits. "The dedication that Suntory CEO Tak Niinami and Suntory Holdings have shown to advancing our culture and business growth — while also preserving the legacy of craftsmanship and interplay of traditions exemplified in brands from Jim Beam to Laphroaig and Maker's Mark to Yamazaki — is extraordinary. Becoming Suntory Global Spirits is the natural next step in our evolution."

"Now is the right moment to deepen our shared passion for the innovation and artistry that deliver incredible experiences through our products and fully unlock our unified advantage across our leading spirits portfolio," said Tak Niinami, President and CEO of Suntory Holdings and Executive Chairman of the Board of Directors at Suntory Global Spirits. "Since the acquisition of Beam Inc. in 2014, the company has gone through an incredible transformation to become an even stronger organization, led by our shared values of Yatte Minahare, Growing for Good and Giving Back to Society. We're grateful to the entire global team under Greg's leadership as we continue to inspire the brilliance of life in harmony with nature and grow the trust and love that people have for Suntory around the world."

"The company's new brand platform showcases the art of crafting the highest quality products with great attention to and respect for the water and

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