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Are Consumers Willing to Pay More for Faster Delivery?

by The IWSR Drinks Market Analysis, www.theiwsr.com

IWSR findings show that delivery speed is now a key battleground for online alcohol sales

The importance of delivery speed has risen as consumers increasingly expect, and show willingness to pay for, rapid fulfilment. A growing number of on-demand delivery services has emerged to fulfil this need, but this sector is not without challenges.

Meeting Consumer Expectations

Across 16 focus markets researched by IWSR, consumers show a strong net willingness to pay more for delivery within one hour of ordering. This is particularly strong in markets including Brazil, the U.S. and Italy. In some markets, like the U.K. and Japan, delivery speed is less important currently, but demand for speed is increasing.



In some countries, such as in China, shoppers have become accustomed to rapid delivery for e-commerce in general, and they expect the same offering for beverage alcohol, even if it means less product choice or higher delivery costs.

In contrast, consumers in countries such as the U.K., where alcohol e-commerce is primarily bought from omnichannel retailers or specialist websites that offer strong product range and competitive prices, there is likely to be some initial hesitance to adopt rapid delivery services if it comes with a higher cost and/or narrower range of products.

However, demand for rapid delivery is growing.

"Although consumers in different global markets place different levels of importance on delivery speed, one clear trend that we've identified is that speed is growing in importance everywhere," said Guy Wolfe, Strategic Insights Manager at IWSR.

Speed is particularly important for younger consumers, including Millennials and Gen Z consumers (of legal drinking age).

"Millennials in all markets are strongly willing to pay more for fast delivery. Boomers, on the other hand, are currently unwilling in general," said Wolfe.

continued on page 2

Liquor Confectionery Market Expected to Reach \$ 981.4 Million During 2022-2032

The global liquor confectionery market is projected to reach \$580 million in 2022, according to Future Market Insights (FMI), in its latest market analysis. With sales growing at a 5.4% CAGR, the market valuation will reach \$981.4 million by 2032.

New product releases with different flavored chocolates, candies and gums are anticipated to positively influence the growth of the market. For instance, Abtey has introduced a new range of products that are prepared from refined alcohol and ganache centers. The four new variants of coulis include ganache and Cointreau jelly, ganache and rum jelly, mousse and kirsch jelly and ganache and strawberry jelly. Such developments are expected to create opportunities for growth in the market.

Further, increasing demand for premium liquor chocolates for gifting purposes and for serving as desserts at social gatherings is anticipated to drive the market in the coming years.

Due to growing preference for online retail, manufacturers are releasing their products at online retail channels to gain a competitive edge. This has also resulted in high availability of liquor confectionery in developing countries, thereby augmenting the growth in the market.

"Growing preference for premium liquor-based chocolates across the globe, along with surging demand for liquor cocktail gummies, will continue steering the growth in the market over the forecast period," said an FMI analyst.

Key Takeaways

- Germany is projected to dominate the Europe liquor confectionery market. Total demand in Europe will account for 30% of the global market share in 2022.
- The U.S. will hold nearly 80% of the North America liquor confectionery market over the forecast period.
- By product type, chocolate liquor confectionery is expected to account for the maximum market value share of the global market in 2022.
- In terms of distribution channels, sales in the indirect segment are forecast to remain high over the assessment period.

continued on page 2

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