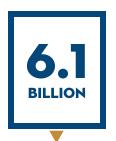


ALCOHOL & E-COMMERCE

The COVID-19 pandemic has created a perfect storm of increased alcohol access via ordering online and overburdened enforcement.



According to Rabobank, U.S. online alcohol sales have grown by 131% since 2019 generating \$6.1 billion in sales in 2021. Rabobank also predicts online alcohol sales will grow by an additional 3.4% in 2022.

Source: Rabobank 2022 Alcohol E-commerce Playbook



IWSR Drinks Market Analysis predicts global alcohol e-commerce sales will exceed \$42 billion by 2025.

Source: IWSR Drinks Market Analysis

E-Commerce Channels

- Online Grocery online alcohol purchases increased 238% in 2020 and 9% in 2021.
- Online alcohol Marketplaces Drizly and Instacart have an 86% market share of sales. This channel grew by 274% in 2020.
- Licensed Specialty Retailers chain & local liquor stores increased their online sales by 151% in 2020. Local delivery and curbside pick-up drove sales.
- Direct-to-Consumer Wine Online online wine sales grew by 73% in 2020.

Source: Rabobank 2022 Alcohol E-commerce Playbook

Questions

Who is liable for shipping or delivery violations?

How should packages be labeled?

How and when do you verify age?

ILLINOIS LAW

ILCC Legislative Bulletin — Public Act 101-0668 (Senate Bill 54)

Public Act 101-0668 (Senate Bill 54) became effective January 1, 2022. The act amends Section 5/5-1(d) of the Illinois Liquor Control Act ("Act") affecting retailer licensing shipping and delivery privileges.

Shipping/ Delivery Liability

A retailer shall be liable for the shipping violations of a thirdparty common carrier (FedEx or UPS) or the delivery violations of a third-party delivery agent.

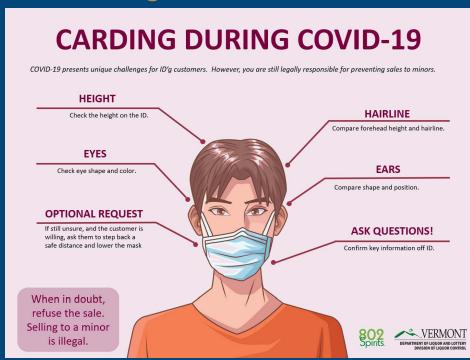
Package Labeling "CONTAINS ALCOHOL. SIGNATURE OF A PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR DELIVERY. PROOF OF AGE AND IDENTITY MUST BE SHOWN BEFORE DELIVERY."

Age Verification: When Shipping: A retailer shall require the transporter or common carrier that ships the package to obtain the signature of a person 21 years of age or older at the shipping address.

Delivery: A retailer shall require the transporter that delivers the package to obtain the signature of a person 21 years of age or older at the delivery address at the time of delivery.

Vermont Department of Liquor and Lottery, Division of Liquor Control

Age Verification



COALITION & MUNICIPAL ACTION

Law enforcement has been stretched thin during the pandemic. Alcohol enforcement teams have been disbanded or put on hold. Many departments are struggling to remain fully staffed. Coalitions and municipalities can implement safeguards to restrict retail access to alcohol by youth.

BASSET Promotion

Beverage Alcohol Sellers and Servers
Education and Training (BASSET) is required
for curbside and delivery sales to prevent
illegal sales of alcohol either to a minor or
intoxicated person. Third-party delivery
companies are prohibited to deliver cocktails
or mixed drinks "to-go."
Coalition members can become a BASSET
trainer. For more information on BASSET,
https://www2.illinois.gov/ilcc/Education/Pag
es/BASSET/Home.aspx

Alcohol Compliance Checks

Alcohol Compliance Checks are an evidence-based law enforcement strategy that is typically implemented in on-premise/off-premise establishments. Checks can be done on home delivery and curbside pick-up. Coalitions can assist law enforcement with youth volunteer recruitment. Coalitions can provide funding for compliance checks if they have high retail access data and have received approval from funding sources.

Ordinance Implementation

BASSET training is mandatory for servers, bartenders, and security staff for on-premise locations. Ordinances can be implemented at the local level to make BASSET training mandatory for off-premise locations also.

Model ordinances can be found on the Illinois Liquor Control Commission's website.

Data Collection

Data collection is the foundation for change.
Coalitions can advocate for schools to
administer the <u>Illinois Youth Survey</u> (IYS) in
their service area. The IYS is a free survey
that takes approximately 45-minutes every
two years to complete. The survey gathers
information about various health and social
indicators, including substance use and
perceptions, bullying, school climate,
nutrition, and physical activity.

Awareness Campaigns

Best practices instruct that awareness campaigns go hand-in-hand with Alcohol Compliance Checks. Awareness Campaigns should also be implemented within your community to educate about the harms of increased access for youth.

ADDITIONAL RESOURCES

Accessing alcohol via e-commerce is a multi-billion dollar industry. Coalitions and law enforcement are the frontline in ensuring retailers have the tools to prevent youth from accessing alcohol. Having data to share with elected officials and policymakers is vital. Alcohol compliance checks can provide a snapshot of youth retail access at a local level. The Illinois Liquor Control Commission has a complaint portal that collects data. Anyone can register a complaint if retailers do not meet the age verification requirements of package labeling and obtain a valid signature.

Alcohol Compliance Check Investigations training is a 4-hour law enforcement class certified by the Illinois Law Enforcement Training and Standards Board through local MTUs. For more information on scheduling this training, contact Jody Heavilin at jody.heavilin@prevention.org.

Alcohol Policy Resource Center resources:

- Alcohol Compliance Check microlearning video
- Alcohol Compliance Check Fact Sheet
- Volunteer Training for Alcohol Compliance Checks

Illinois Liquor Control Commission resources:

- <u>Underage Compliance Program</u>
- BASSET Program
- Complaint Portal

