



2024

DIRECT TO CONSUMER

Beer Shipping Report

SOVOS
ShipCompliant



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The State of Direct-to-Consumer Beer Shipping in 2024

If a brewery were able to legally offer DTC shipping,

regular craft beer drinkers would likely boost its business with increased sales and favorable social support

86% would be likely to try a new beer from that brewery

83% would be likely to purchase more frequently from that brewery

68% would be likely to subscribe to a beer club

86% would be likely to think more positively of the brewery

86% would be likely to recommend the brewery to friends & family

70% would be likely to post on social media about the brewery

States and brewers are missing out on potential revenue. Among regular craft beer drinkers that would like to purchase beer via DTC shipping

State laws lag consumer demand

69%

say they would spend \$50 or more per month if they could



43%

say they would spend \$100 or more per month if they could



79%

Percent of regular craft beer drinkers who report having tried a beer while traveling that they would like to purchase, but it is not found near their home



86%

Percent of regular craft beer drinkers who support increased legal access for DTC beer shipping

Source: Survey conducted online within the United States by The Harris Poll on behalf of Sovos ShipCompliant between January 2-4, 2024, among 1,970 U.S. adults ages 21+, among whom 615 drink craft beer at least once per month. For complete survey methodology, including weighting variables and subgroup sample sizes, please contact helloship@sovos.com.

Introduction

Our aim in conducting the survey behind the 2024 Direct-to-Consumer Beer Shipping Report was to measure attitudes among American adults (ages 21+) and regular craft beer drinkers around their desire and future purchase intent for DtC beer purchasing, as well as to gain insights on views surrounding DtC shipping and the potential impacts for breweries that offer it. (Survey conducted online within the United States by The Harris Poll on behalf of Sovos ShipCompliant between January 2-4, 2024, among 1,970 U.S. adults ages 21+, among whom 615 drink craft beer at least once per month.)

The results show a continued desire for the convenience of purchasing products for DtC shipping across Americans ages 21+, and not surprisingly, even more so among regular craft beer drinkers. Future purchase intent for beer via DtC shipping remains steady for both audiences, with significant spend projections annually if they were able to do so.

The option for DtC shipping of beer could have a significant impact on revenue for breweries, as Americans continue to express their intent to increase both the quantity of craft beer purchases as well as a likelihood to try craft beer from out of state if they could do it this way.

Many Americans, including regular craft beer drinkers, express positive reactions to having the option to purchase beer for DtC shipping. Breweries being able to provide this option to their customers could benefit not only from increased sales, but also brand promotion and word-of-mouth recommendations. The opportunity for a larger, well-regulated direct-to-consumer shipping channel that complements three-tier distribution remains clear.



The Regulatory State of DtC Beer Shipping

What is DtC shipping?

Direct-to-consumer shipping is the shipping of alcohol directly to the purchaser through delivery by a third-party carrier (e.g., UPS or FedEx). In DtC shipping, the sale is made directly from the producer to the customer, who receives the order shipped directly at their residence or other personal address. In order to ship their beer, a producer must abide by the laws and requirements of the state they ship into, which often includes getting licensed and paying taxes on their shipments.

As of this report (March 2024), brewers may ship beer DtC across state lines in the 11 states plus D.C. that permit it—see map below. Sovos ShipCompliant also tracks [DtC Beer Interstate Shipping Compliance Rules](#) online; visit this page for the most up-to-date information as states make rules changes.

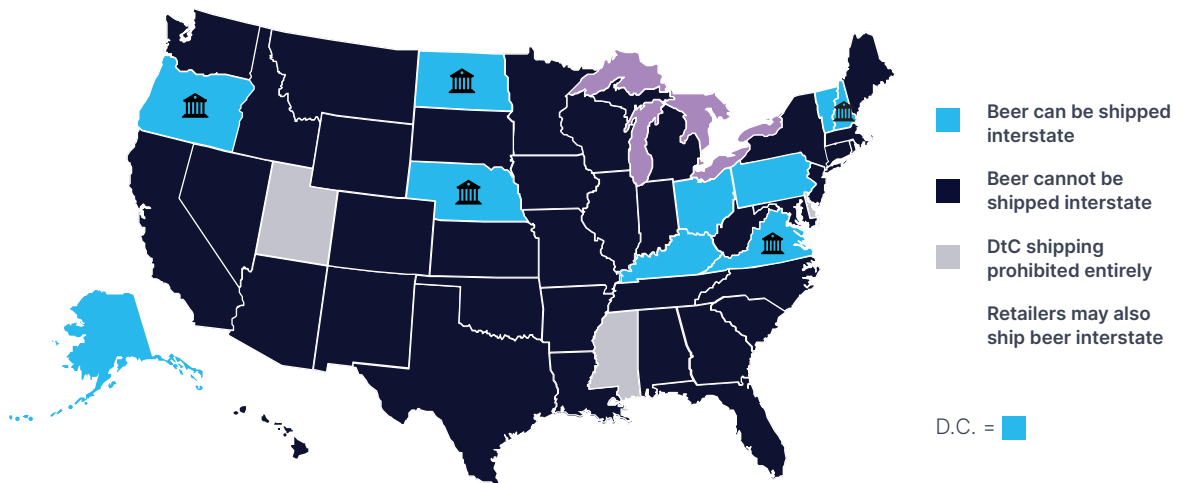


Each state that permits interstate DtC beer shipping maintains its own varying rules governing the practice. As of March 2024, the only states that provide clear, statutory authority for brewers to legally solicit and fulfill sales remotely and across state borders are Alaska, Kentucky, Nebraska, New Hampshire, North Dakota, Ohio, Oregon, Vermont and Virginia, as well as the District of Columbia. The other three locales that permit some form of DtC shipping have distinct parameters as described below.

Pennsylvania will only issue a shipping license to a party licensed in their home state as an off-premises retailer or wholesaler. A manufacturing license that permits the holder to also act as a wholesaler or retailer is insufficient; the brewery must hold a separate license specifically for wholesalers or retailers.

Rhode Island permits beer that was sold to a consumer who was physically present at the brewery's premises at the time of purchase to be shipped but does not allow other types of DtC shipping (e.g., remote online ordering).

Who Can Ship Beer Where?



* Pennsylvania will only issue licenses for beer shipping to brewers that hold specific wholesaler or off-premises retailer licenses; a manufacturing license alone, even one that grants such permissions, is insufficient

* Rhode Island only permits DtC shipments when the purchase was made when the buyer was physically present at the brewery

Accurate to March 2024

Recent Regulatory Trends

Efforts to expand access to DtC shipping of beer were largely unsuccessful in 2023, with no states adopting new legislation to grant their consumers access to the national beer market. This was despite the introduction of bills in several states that would have given brewers permission to ship equal to what wineries currently enjoy. This was also despite the clear and growing evidence that craft beer consumers do want the right to receive beer shipped to their homes from brewers all over the country.

The powerful interests that prefer to keep beer constrained and limited to distribution through a decreasing number of massive wholesalers continued in 2023 to trot out scary stories about the entirely theoretical threats that expanded DtC access could bring. These includes claims of ready access by minors (nevermind the complete lack of evidence around such access in the states that currently allow for DtC shipping of beer) and the challenges for regulators to manage a new alcohol market.

These arguments are canards, keyed to frighten lawmakers, but their effect is to limit market access by craft brewers, forcing them in large part to either sell through disinterested wholesalers or not sell at all. It should be noted that beer DtC shipping is not alone in having to push back against such specious claims—all forms of DtC shipping, including the well-established wine DtC market, face ongoing reproval from those who believe that the three-tier system's inherent legitimacy (as described by the Supreme Court) means that the three-tier system is the only legitimate means of selling beverage alcohol.

Still, 2023 did see some surprising and interesting developments out of Oregon, where the state removed its reciprocity restrictions on DtC shipping of beer after being challenged by a Washington state brewery. Previously, Oregon only permitted DtC shipping of beer from states that granted Oregon breweries the right to DtC ship to their consumers, but this is no longer enforced as the state essentially agreed to the unfairness of that provision. While this was but one of many hoped-for changes last year, and it was more of an extension of an existing DtC privilege rather than a new state opening, it was a remarkable acknowledgement by a state of the need to provide equal access to their internal alcohol market and a hopeful sign that other states will follow suit in the coming years.

Legislation is an area where success is often measured in inches, not miles, so while we may not be able to celebrate any major new developments from 2023, it is heartening to see the ongoing efforts to expand DtC beer shipping and have a sense of optimism for what 2024—and the years to come—may bring.

Consumer Preferences and Intent

This report's 2024 consumer survey shows that when it comes to the expanded choice and convenience of purchasing products for direct-to-consumer shipping, the desire to purchase craft beer in this manner continues to be strong. What's more, future purchase intent for beer via DtC shipping persists at high levels.

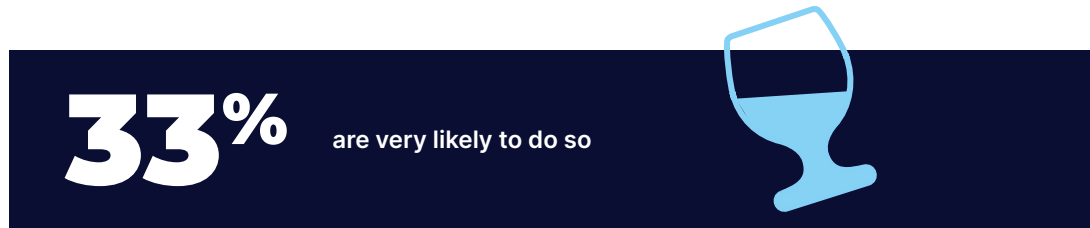
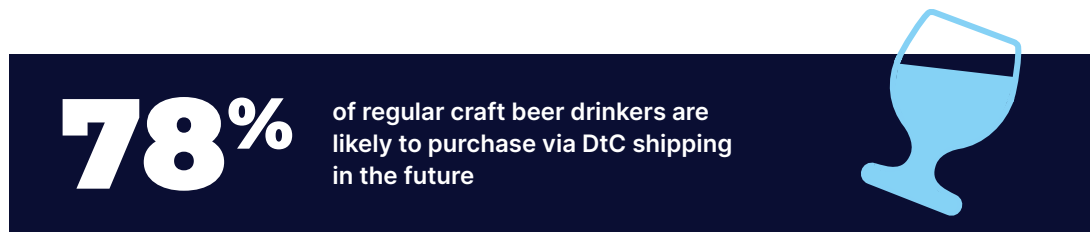
This year's report breaks out findings for both legal drinking age (LDA) Americans, age 21+, as well as regular craft beer drinkers (defined as those who drink craft beer at least once per month). Overall, we see a high level of support for and interest in DtC beer shipping even beyond the core group of regular craft beer drinkers.

Taken together, the strong interest among both regular craft beer drinkers and all LDA Americans indicates that current limited DtC beer shipping laws inhibit not only brewers and the craft brewing industry, but also would-be purchasers who would like to enjoy brands they cannot find locally.

Future DtC Craft Beer Purchase Intent High

Nearly half of Americans ages 21+ (45%) say they are likely to purchase craft beer directly from a brewery and have it shipping directly to their home via a third-party carrier in the future (no significant change from 46% in 2023).

Meanwhile, more than 3 in 4 regular craft beer drinkers (78%) are likely to purchase craft beer via DtC shipping in the future, with 1 in 3 (33%) indicating they are very likely to do so. This represents continuity from 2023 where 79% were likely and 37% were very likely to say this.



High Desire for DtC Beer Shipping is Similar to Other Goods

Most Americans ages 21+ would like to be able to purchase everyday items online or at a retail location and have it shipped directly to their/someone else's home, including clothing (65%), self-care products (59%), paper products (56%) and cleaning products (55%). Nearly half (49%) say the same for food. Roughly 1 in 3 adults ages 21+ would want to be able to purchase beer (32%) in this manner.

The 32% of adults ages 21+ who would like to be able to purchase and have beer shipped directly to their home/someone else's home via a third-party carrier is consistent with last year's survey findings (33%).

Looking specifically at regular craft beer drinkers, while clothing (69%) tops the list of products they would like to be able to purchase and have shipped directly to their/someone else's home via a third-party carrier, beer comes in second at 61% followed by food and self-care products (60% each) and cleaning and paper products (58% each).

The 61% of regular craft beer drinkers who would like to be able to purchase and have beer shipped directly to their/someone else's home via a third-party carrier remains unchanged from last year's survey.



Majority Interested in DTC Beer Shipping Would Spend \$50+ Per Month

As a majority of state laws do not currently allow DTC shipments of beer, most Americans are unable to take advantage of this purchasing method. Among those ages 21+ who would like to purchase beer via DTC shipping, nearly 2 in 3 (63%) say they would spend \$50 or more per month, and more than 1 in 3 (35%) indicate they would spend \$100 a month or more, using this method. On average, Americans ages 21+ who would like to purchase beer via DTC would spend about \$86 each month.



Looking at those who live in states where DTC beer purchasing is not currently legal, Americans ages 21+ who would like to purchase beer via DTC would spend about \$89, on average, each month — a bevy of potential sales being left on the table because DTC beer shipping is not currently legal in these states.

When asked how much they would spend on DTC beer purchases each month, nearly 7 in 10 regular craft beer drinkers who would like to purchase beer via DTC (69%) say they would spend \$50 or more, and more than 2 in 5 (43%) say they would spend \$100 or more. On average, regular craft beer drinkers who would like to purchase beer via DTC would spend about \$100 each month.

Among those who live in states where DTC beer shipping is not currently legal, regular craft beer drinkers who would like to purchase beer via DTC would spend about \$101, on average, each month.

Demand for Craft Beer via DtC Could Drive Increase in Sales and Out-Of-State Trials

Increased legal DtC shipping of beer could have a significant impact on revenue for breweries, as Americans express intent to increase both the quantity of craft beer purchases and likelihood to try craft beer from out-of-state if they could do so this way. More than half of Americans ages 21+ (51%, not dissimilar to 52% in 2023) would purchase more craft beer if they were able to have it shipped directly to their home. Meanwhile, 2 in 3 (60%, no significant change from 59% in 2023) say the ability to purchase beer via DtC shipping would make them more likely to try beer from out-of-state breweries.

77%

of regular craft beer drinkers say they would increase purchasing if DtC shipping were legally available



Unsurprisingly, the intent to increase purchase quantity and out-of-state breweries trials among craft beer drinkers is even more notable. Nearly 4 in 5 regular craft beer drinkers (77%, not dissimilar from 79% in 2023) say they would purchase more craft beer if they were able to have it shipped directly to their home. More than 4 in 5 regular craft beer drinkers (85%, same as 2023) say the ability to purchase beer by direct-to-consumer shipping would make them more likely to try beer from out-of-state breweries.

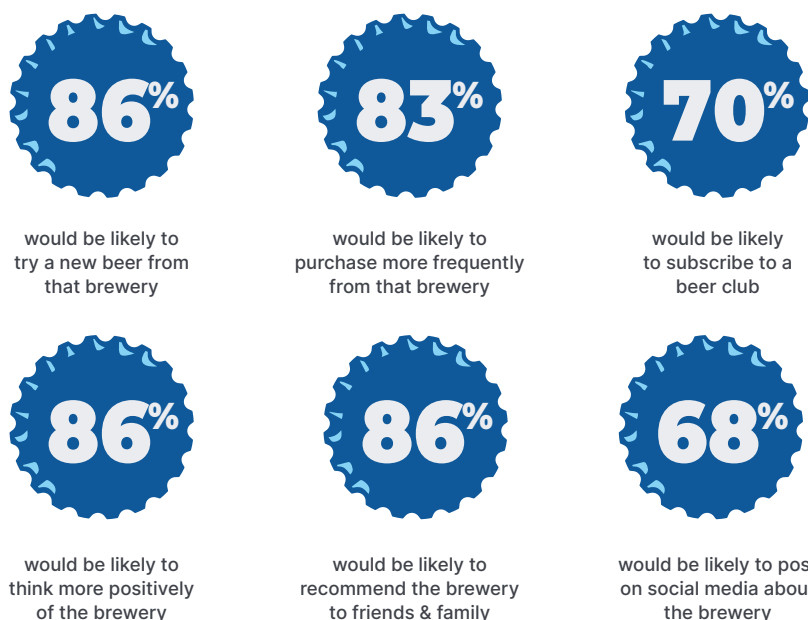
85%

of regular craft beer drinkers say the ability to purchase beer for DtC shipping would increase their likelihood of trying out-of-state beers



In Addition to Increased Sales Potential, Benefits for Breweries That Offer DtC Shipping Include Word of Mouth Advertising, Positive Brand Image

Many Americans ages 21+ express positive reactions to having the option to purchase beer for DtC shipping, and breweries not able to provide this option to their customers could be missing out. A majority of adults ages 21+ say if a brewery had the option for customers to purchase beer via DtC shipping they would be likely to recommend that brewery to family/friends and to think more positively of the brewery (62% each). More than half say they would try a new beer (56%) or purchase more frequently (52%) from that brewery if they offered a DtC shipping option. About 2 in 5 say they would be likely to share/post about a brewery on social media (44%) or sign up for a beer subscription club (39%) if the brewery had the option for customers to purchase beer via DtC shipping.



The benefit to breweries could be even more impactful among regular craft beer drinkers. A strong majority of regular craft beer drinkers say, if a brewery had the option for customers to purchase beer via DtC shipping, they would be likely to recommend that brewery to family/friends, think more positively of that brewery or try a new beer from a brewery (86% each). More than 4 in 5 (83%) would be likely to purchase more frequently from a brewery that had the option for customers to purchase beer via DtC shipping. About 7 in 10 regular craft beer drinkers say they would be likely to share/post about that brewery on social media (70%) or sign up for a beer subscription club (68%).

Most Believe DtC Beer Shipping Should Be Legal in More States

More than half of Americans ages 21+ (52%) have tried a beer while traveling that they wish they could purchase, but it is not available near their home, so perhaps it's no surprise that most believe that DtC beer shipping should be more accessible in the U.S. More than 2 in 3 Americans ages 21+ (68%, up slightly from 66% in 2023) believe current beer shipping laws in the U.S. should be updated to make it legal to ship beer direct-to-consumer in more states than the 12 U.S. locales where it is currently permitted.

79%

Percent of regular craft beer drinkers who report having tried a beer while traveling that they would like to purchase, but it is not found near their home



With many regular craft beer drinkers looking for ways to purchase the beers they like more easily, it's also unsurprising that an overwhelming majority believe that DtC beer shipping should be more accessible. A majority of regular craft beer drinkers (79%) say they have tried a beer while traveling that they wish they could purchase but it is not available near their home. And, nearly 9 in 10 (86%) believe current beer shipping laws in the U.S. should be updated to make it legal to ship beer direct-to-consumer in more states than the 12 U.S. locales where it is currently allowed.

86%

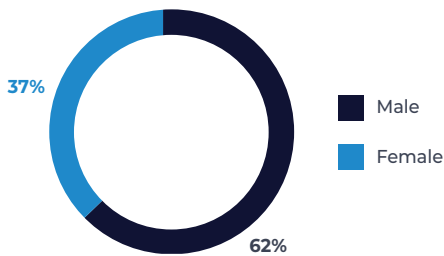
Percent of regular craft beer drinkers who support increased legal access for DtC beer shipping



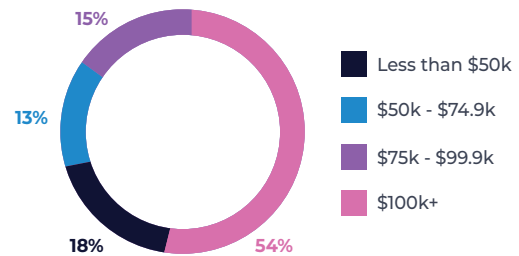
Future DtC Craft Beer Purchaser Profile

Regular craft beer drinkers who say they are likely to purchase craft beer via DtC shipping in the future are predominately:

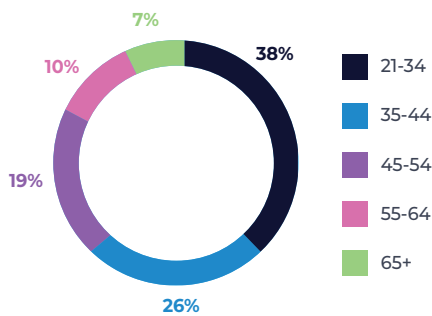
Gender



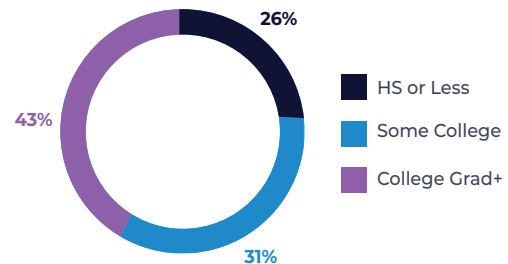
Those with an annual household income of \$75k or more



Between the ages of 21-44



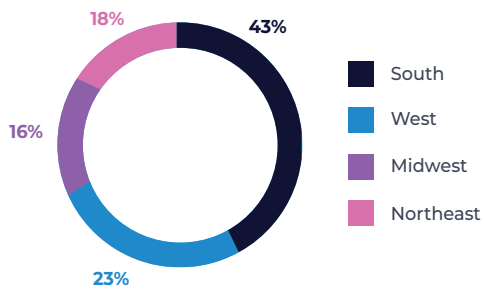
Have some college or more



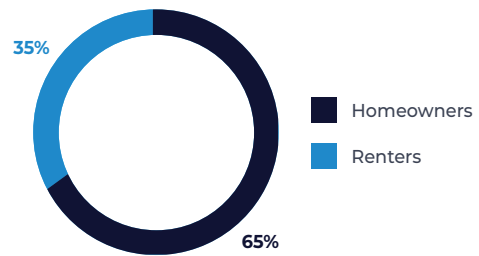
Future DtC Craft Beer Purchaser Profile (Cont'd)

Regular craft drinkers who have purchased beer DtC tend to be:

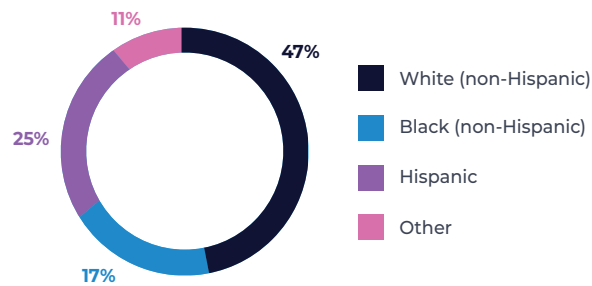
Residing in the South or West



Homeowners



White [non-Hispanic]



Brewers Association Perspective

The direct-to-consumer craft beer story is one of opportunity. It offers the best of all worlds to all participants, whether they be consumers craving more choice than they're currently offered in their local market, or a brewer trying to reach and create meaningful relationships with those consumers, a wholesaler seeking market-tested products to carry in specific regions, or a retailer interested in new but familiar products for their shop. Often characterized by opponents as harmful to the current regulatory environment, direct-to-consumer shipping in fact partners with it, the proverbial rising tide lifting all boats to a status quo that offers better selection, more access to market and more opportunities to everyone in the three-tier system.

The fact is, with more than 9,500 craft brewers in the United States and more consolidation of the wholesale and retail tiers, craft beer must expand to other market access opportunities like DtC. There simply is not room on wholesaler trucks—or on retailer shelves—for all the offerings available. This is true even in local regions, but more so when you consider the craft producers who have a small and loyal following, but no ability to expand enough to utilize a wholesaler's services. For these brewers, legal DtC shipping would be a godsend, a new way to create and maintain relationships with customers, in much the same way that DtC wine created opportunity for small wineries decades ago.

According to the National Beer Wholesalers Association Beer Purchasers Index, an informal monthly statistical release to show industry beer purchasing activity, wholesalers are looking to scale back on craft purchasing, cutting SKUs from their inventory, and are not seeking to add more craft to their trucks. Further, niche SKUs (seasonal beers, barrel-aged stouts, limited releases) are not meant for wide distribution in the first place. Wholesalers often don't want those products even from brewers whose beers they already carry. For these beers—and the community of beer enthusiasts who want those limited-run products—DtC shipping is simply the next logical step.



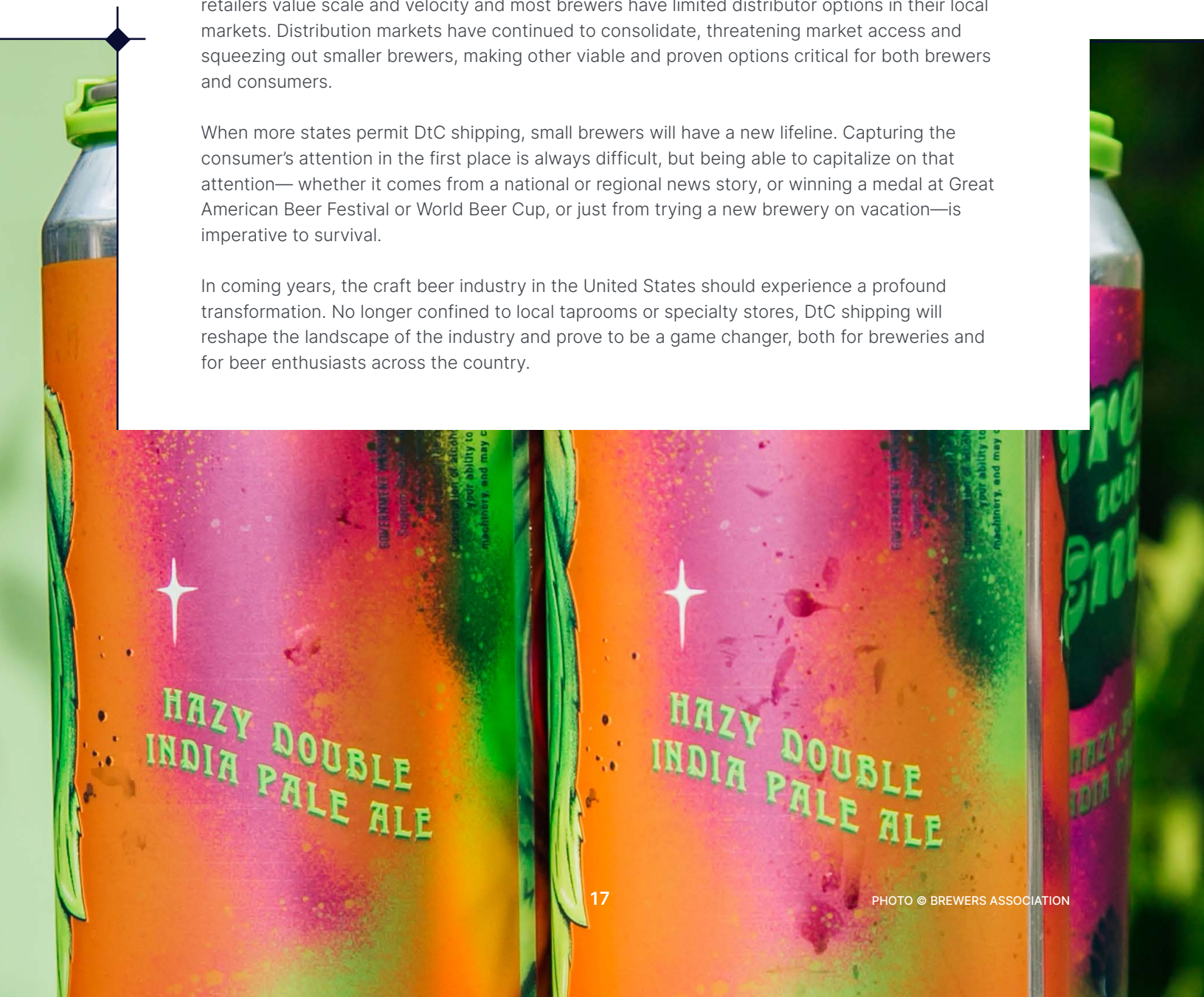
Brewers Association Perspective (Cont'd)

Direct-to-consumer shipping is one opportunity to bridge that gap between consumer preferences and the realities of the distributed market. As the survey data in this report has consistently shown, consumer demand exists for beers shipped to them directly from small brewers. Moving beyond consumer demand, in this competitive market environment, direct-to-consumer shipping is a critical channel for small brewers, both for the sales opportunities, as well as an avenue to help demonstrate demand and gain access to further distribution opportunities. The vast majority of America's craft brewers are very small—more than two-thirds make less than 1,000 barrels of beer. Direct-to-consumer shipping offers opportunities to sell beer at that scale.

Furthermore, the model of requiring distribution as the only opportunity to sell outside a brewery is quite challenging for most small breweries. Most beer distributors and many retailers value scale and velocity and most brewers have limited distributor options in their local markets. Distribution markets have continued to consolidate, threatening market access and squeezing out smaller brewers, making other viable and proven options critical for both brewers and consumers.

When more states permit DtC shipping, small brewers will have a new lifeline. Capturing the consumer's attention in the first place is always difficult, but being able to capitalize on that attention—whether it comes from a national or regional news story, or winning a medal at Great American Beer Festival or World Beer Cup, or just from trying a new brewery on vacation—is imperative to survival.

In coming years, the craft beer industry in the United States should experience a profound transformation. No longer confined to local taprooms or specialty stores, DtC shipping will reshape the landscape of the industry and prove to be a game changer, both for breweries and for beer enthusiasts across the country.

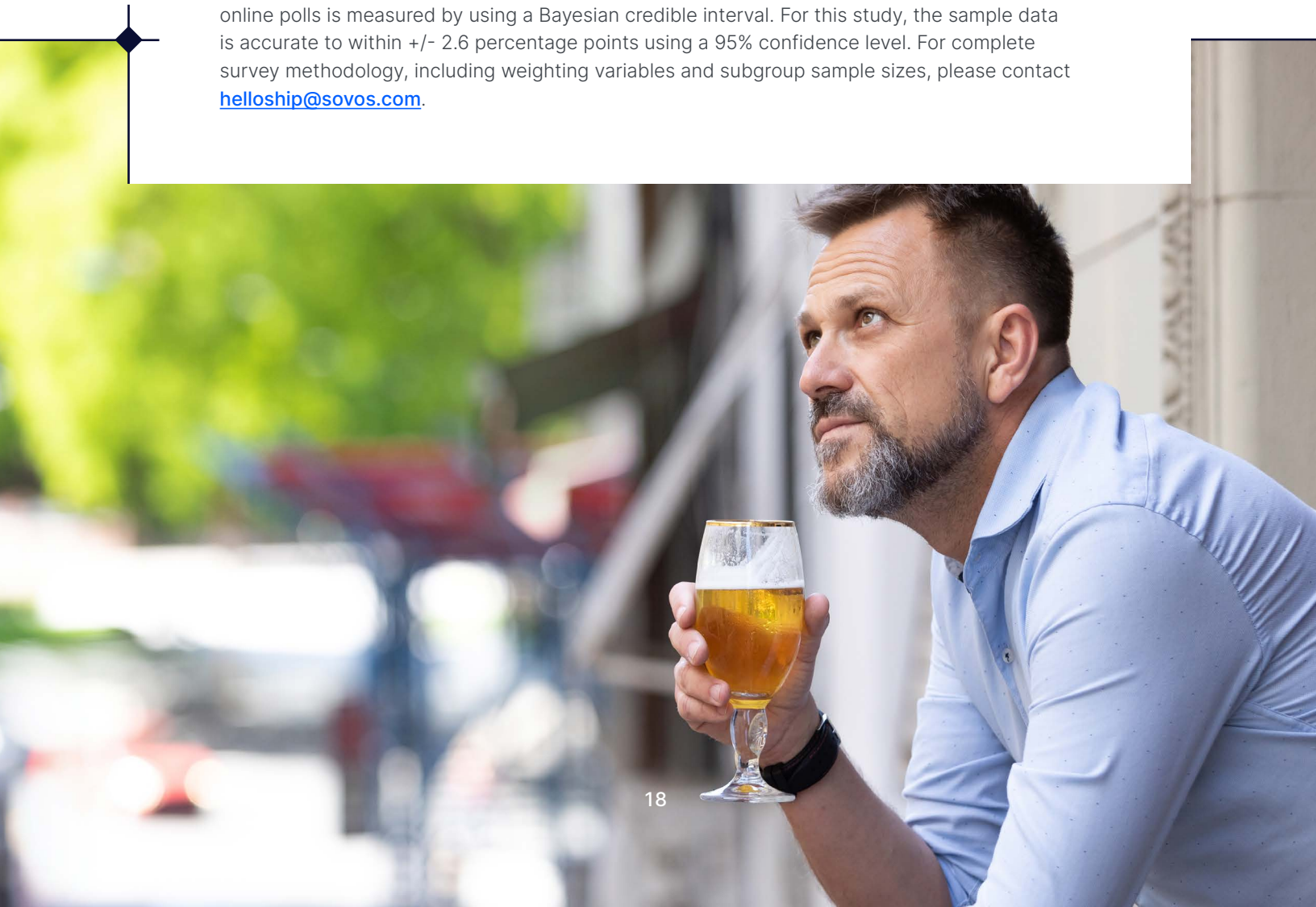


Learn More

Sovos ShipCompliant has been the leader in automated alcohol beverage compliance tools for more than 15 years, providing a full suite of cloud-based solutions to breweries, wineries, distilleries, cideries, importers, distributors and retailers to ensure they meet all federal and state regulations for direct-to-consumer and three-tier distribution. ShipCompliant solutions reduce risk, lessen the burden of compliance, accelerate bringing products to market and enable revenue growth. For more information, visit Sovos.com/ShipCompliant.

The Brewers Association (BA) is the not-for-profit trade association dedicated to small and independent American brewers, their beers and the community of brewing enthusiasts. The BA represents 5,700-plus U.S. breweries. The BA's independent craft brewer seal is a widely adopted symbol that differentiates beers by small and independent craft brewers. For more information, visit BrewersAssociation.org.

Survey Method: This survey was conducted online within the United States by The Harris Poll on behalf of Sovos ShipCompliant between January 2-4, 2024, among 1,970 U.S. adults ages 21+, among whom 615 drink craft beer at least once per month. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within +/- 2.6 percentage points using a 95% confidence level. For complete survey methodology, including weighting variables and subgroup sample sizes, please contact helloship@sovos.com.



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