



## **Support Consumer Choice and Convenience with Direct-to-Consumer Shipping of Spirits**

**Direct-to-Consumer (DTC) shipping of spirits is critical because it:**

- 1. IS A POSITIVE BOOST FOR TOURISM AND THE HOSPITALITY INDUSTRY;**
- 2. SUPPORTS CONSUMER CHOICE;**
- 3. PROVIDES PARITY ACROSS THE INDUSTRY; AND**
- 4. BUILDS SMALL BUSINESSES AND PROVIDES AN ON-RAMP TO DISTRIBUTION**

### **Spirits DTC Boosts Tourism and Hospitality**

- With the rapid growth of the distilling industry (now more than 2600 distilleries), distillery tourism has become a major draw in local and regional tourism, stimulating economic development, including creating jobs, in urban, suburban, and rural communities.
- Central to this consumer experience is the ability to purchase spirits products during a distillery tasting, tour, or visit.
- However, it is not always convenient to transport spirits when traveling. So, permitting consumers to receive limited shipments of spirits, enhances the consumer visit, allows the consumer to continue the distillery relationship and supports the local economy up and down the supply chain into the future.

### **Spirits DTC Supports Consumer Choice**

- The shopping experience today is drastically different from only a few years ago.
- With the growth of the internet, the consumer now has significantly more choice in their shopping experiences.
- More and more, consumers are opting for the convenience of having purchases delivered directly to their location of choice rather than carrying purchases home.
- Spirits, wine and beer consumers all have the same expectation regarding the purchase of beverage alcohol – there is significant consumer demand. (According to an IWSR survey, 80 percent of respondents agree or strongly agree that distillers should be allowed to directly ship their products to legal drinking age consumers in any American state, just as the wineries do.)
- Electronic purchases and fulfillment with common carriers provides start to finish tracking and age verification - ensuring safe delivery and that only legal drinking age adults (those 21+ years of age) can take possession.

### **Spirits DTC Provides Parity Across the Industry**

- Wine is currently shipped direct-to-consumer in 47 states, safely and securely.

- Consumers can both buy wine directly from wineries and participate in specialized wine clubs, creating lasting relationships with producers whose products they especially enjoy.
- For wineries, this has meant the ability to serve fans that live in areas where they have no wholesale presence, maintain an ongoing relationship long after consumers have left their vineyards and tasting rooms, as well as allow consumers to enjoy products not available in their local market.
- Distillers are seeking the opportunity to serve their customers with that similar choice and convenience.

### **Spirits DTC Builds Small Businesses and Provides An On-Ramp To Distribution**

- DTC serves as the greatest asset for startup or small businesses, while also enhancing the current three-tier system.
- The dramatic increase in distilled spirit manufacturers over the last decade (from less than 50 to now more than 2600), combined with a natural limit of how many products any one distributor is able to represent, has made it difficult for the current system to handle the sheer number of brands available.
- This means that even with significant demand and interest – many spirits products cannot find their way into the hand of a consumer.
- DTC shipping allows these businesses to grow and reach fanbases where they are.
- This ultimately enhances the three-tier system by allowing product testing and brand building – creating a cost-effective way to generate the kind of product attention that is critical for attracting interest from wholesale distributors.

### **DTC legislation for spirits should:**

- 1) Treat all distillers equally
- 2) Treat all types of beverage alcohol products equally
- 3) Maintain state tax collections
- 4) Safeguard against underage purchases and ensure product integrity