CONSUMPTION TRENDS
Beverage Alcohol Consumption

2014 U.S. Annual Sales

- Beer: $101 billion
- Wine: $30 billion
- Spirits: $76 billion

Source: Nielsen
“Share of Glass”

2002 Annual Share of Glass

- Beer: 60%
- Wine: 27%
- Spirits: 13%

2014 Annual Share of Glass

- Beer: 51%
- Wine: 34%
- Spirits: 15%

Source: Nielsen
Projected Growth in Spirits

<table>
<thead>
<tr>
<th>Year</th>
<th>1995</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14%</td>
<td>28%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: Nielsen
Projected Growth in Spirits

Gen X Preferences in 1999
- Beer: 72%
- Wine: 15%
- Spirits: 13%

Gen X Preferences in 2009
- Beer: 49%
- Wine: 21%
- Spirits: 30%

Millennial Preferences in 2009
- Beer: 38%
- Wine: 42%
- Spirits: 20%

Millennial Preferences in 2019
- Beer: ?
- Wine: ?
- Spirits: ?

Source: Beam Suntory
Marketing Trends

**Premium Products**
Vodka, Whiskey & Cognac over-index on trade-up sales

**Hispanics**
Spirits for social occasions
Looking for value

**Women**
37% of whiskey drinkers
Interested in flavored spirits

**Millennials**
Surpassed Boomers in numbers
More than 25% prefer distilled spirits
ABC Fiscal Year-End Sales

Year-end sales (millions)

% = Year over Year Growth
5-yr avg. trend 4.6%

Actual Sales
Target

ABC Markup Increase December 2014

ABC Fiscal Year-End Sales

WWW.ABC.VIRGINIA.GOV
ABC Transactions & Bottles

Bottles Sold
(millions)  5-yr avg trend 3.5%

Transactions
(millions)  5-yr avg trend 3.5%

2010  2011  2012  2013  2014  2015

Bottles Sold
2.3%  1.9%  2.4%  4.4%  3.3%  3.3%

Transactions
1.7%  2.4%  5.2%  4.4%  3.5%  3.0%

42.0  44.0  46.0  48.0  50.0  52.0  54.0  56.0

22.0  24.0  26.0  28.0  30.0  32.0  34.0  36.0

WWW.ABC.VIRGINIA.GOV
Gallons Sold

<table>
<thead>
<tr>
<th>Gallons Sold (millions)</th>
<th>5-yr avg trend 2.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9.0</td>
</tr>
<tr>
<td>2011</td>
<td>9.5</td>
</tr>
<tr>
<td>2012</td>
<td>10.0</td>
</tr>
<tr>
<td>2013</td>
<td>10.5</td>
</tr>
<tr>
<td>2014</td>
<td>11.0</td>
</tr>
<tr>
<td>2015</td>
<td>11.5</td>
</tr>
</tbody>
</table>

2010: 2.2%
2011: 2.4%
2012: 2.6%
2013: 3.6%
2014: 1.6%
2015: 2.3%
Brewery, Winery & Distillery Growth

Virginia

- **Breweries**
- **Wineies**
- **Distilleries**
CONSUMPTION ISSUES
# Underage Consumption

## High School Youth Risk Behavior Survey, 2015

<table>
<thead>
<tr>
<th></th>
<th>National</th>
<th>Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Female</td>
</tr>
<tr>
<td><strong>Ever drank alcohol</strong>&lt;br&gt;(at least one drink of alcohol on at least 1 day during their life)</td>
<td>63.2 (60.6–65.8)</td>
<td>65.3 (61.5–69.0)</td>
</tr>
<tr>
<td><strong>Drank alcohol before age 13 years</strong>&lt;br&gt;(for the first time other than a few sips)</td>
<td>17.2 (16.0–18.4)</td>
<td>14.6 (12.7–16.6)</td>
</tr>
<tr>
<td><strong>Currently drank alcohol</strong>&lt;br&gt;(at least one drink of alcohol on at least 1 day during the 30 days before the survey)</td>
<td>32.8 (30.4–35.2)</td>
<td>33.5 (29.8–37.5)</td>
</tr>
<tr>
<td><strong>Usually obtained the alcohol they drank by someone giving it to them</strong>&lt;br&gt;(during the 30 days before the survey, among students who currently drank alcohol)</td>
<td>44.1 (41.9–46.4)</td>
<td>48.5 (45.8–51.2)</td>
</tr>
<tr>
<td><strong>Drank five or more drinks of alcohol in a row</strong>&lt;br&gt;(within a couple of hours on at least 1 day during the 30 days before the survey)</td>
<td>17.7 (15.8–19.8)</td>
<td>16.8 (14.4–19.6)</td>
</tr>
<tr>
<td><strong>Reported that the largest number of drinks they had in a row was 10 or more</strong>&lt;br&gt;(within a couple of hours during the 30 days before the survey)</td>
<td>4.3 (3.6–5.1)</td>
<td>2.5 (1.9–3.3)</td>
</tr>
</tbody>
</table>

## Virginia, Middle School Youth Risk Behavior Survey, 2015

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drank alcohol before age 11 years</strong>&lt;br&gt;(for the first time other than a few sips)</td>
<td>7.9 (6.6–9.6)</td>
<td>6.0 (4.8–7.6)</td>
<td>9.6 (7.6–12.2)</td>
</tr>
</tbody>
</table>

*Source: CDC*
# Underage Consumption

## Monitoring the Future, 2015

<table>
<thead>
<tr>
<th></th>
<th>8th</th>
<th>10th</th>
<th>12th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol is fairly easy or very easy to get</td>
<td>53.6</td>
<td>74.9</td>
<td>86.6</td>
</tr>
<tr>
<td>I disapprove or strongly disapprove of people who try 1 or 2 drinks of an alcoholic beverage</td>
<td>53.7</td>
<td>40.0</td>
<td>28.9</td>
</tr>
<tr>
<td>I disapprove or strongly disapprove of people who take 1 or 2 drinks nearly every day</td>
<td>79.7</td>
<td>78.2</td>
<td>71.1</td>
</tr>
<tr>
<td>I disapprove or strongly disapprove of people who have 5 or more drinks once or twice each weekend</td>
<td>85.4</td>
<td>79.6</td>
<td>71.9</td>
</tr>
<tr>
<td>The risk is great that people may harm themselves (physically or in other ways) if they try 1 or 2 drinks of an alcoholic beverage</td>
<td>15.3</td>
<td>12.4</td>
<td>10.3</td>
</tr>
<tr>
<td>The risk is great that people may harm themselves (physically or in other ways) if they take 1 or 2 drinks nearly every day</td>
<td>30.9</td>
<td>31.2</td>
<td>21.5</td>
</tr>
<tr>
<td>The risk is great that people may harm themselves (physically or in other ways) if they have 5 or more drinks once or twice each weekend</td>
<td>53.9</td>
<td>54.5</td>
<td>45.9</td>
</tr>
</tbody>
</table>
College Age Consumption

Source: SAMHSA
Binge Drinking

1 in 6
More than 38 million US adults binge drink.

4X
Binge drinkers do so about 4 times a month.

8
The largest number of drinks per binge is on average 8.

Source: CDC
Female Consumption

• 3 million women are at risk of exposing their developing baby to alcohol

• 3 in 4 women who want to get pregnant report drinking alcohol

• 100% of Fetal alcohol spectrum disorders are preventable

1 in 8 – nearly 14 million women binge drink 3 times a month

Women average 6 drinks per binge

1 in 5 high school girls binge drink

Source: CDC
## Alcohol Related Motor Vehicle Statistics

### High School Youth Risk Behavior Survey, 2015

<table>
<thead>
<tr>
<th>Activity</th>
<th>National</th>
<th>Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Female</td>
</tr>
<tr>
<td><strong>Rode with a driver who had been drinking alcohol</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(in a car or other vehicle one or more times during the 30 days before the survey)</td>
<td>20.0 (18.4–21.6)</td>
<td>20.2 (17.9–22.8)</td>
</tr>
<tr>
<td></td>
<td>15,555</td>
<td>7,739</td>
</tr>
<tr>
<td><strong>Drove when they had been drinking alcohol</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(in a car or other vehicle one or more times during the 30 days before the survey, among students who had driven a car or other vehicle during the 30 days before the survey)</td>
<td>7.8 (6.8–9.0)</td>
<td>6.0 (4.7–7.7)</td>
</tr>
<tr>
<td></td>
<td>8,432</td>
<td>3,996</td>
</tr>
</tbody>
</table>

*Source: CDC*
Virginia Alcohol Related Motor Vehicle Statistics

Source: Virginia DMV
Virginia Alcohol Related Motor Vehicle Statistics

Source: Virginia DMV
Virginia Alcohol Related Motor Vehicle Statistics

Source: Virginia DMV
EVIDENCE BASED SOLUTIONS
Virginia is one of 17 states/jurisdictions in the U.S. that have some form of a “control” model at the wholesale level.

13 of those jurisdictions also exercise control over retail for off-premises consumption—either through state stores or agency stores.
Regulation of Alcohol Outlet Density

Virginia Population Per Store

Number of Standard Listed Products in Virginia

- Offer product variety and customer service without promoting increased consumption
- Higher markup on higher proof products
- Higher markup on smaller sizes
- No loss leaders
- Listings process
Maintaining Limits on Days & Hours of Sale

- COV authorizes ABC to set limits on on-premise and off-premise operating hours
- 77% of ABC stores open 7 days/week from 10am to 9 or 10pm
- 21% open from 10am to 6 or 7pm with weekend hours extended to 9 or 10pm
- HB 1314 (2004) allowed for Sunday sales in select cities based on population
- HB 908 (2008) added five additional localities
- HB 896 (2012) allows for statewide Sunday sales
Beer Excise Taxes

Source: Tax Foundation
Responsible Beverage Service Training

Responsible Sellers/Servers: Virginia’s Program
Managers Alcohol Responsibility Training

• Current
  – Regional classroom trainings with Special Agent
  – RSVP & MART alternating months
  – RSVP: 113 classes & 1,767 participants
  – MART: 23 classes & 385 participants

• Future
  – Online training

Seller/Server Training Approval Program

• Current
  – ABC Tipster
  – Learn2Serve
  – Rserving
  – Seller Server
  – Serv Safe
  – State Food Safety
  – Sure Sell Now
  – Techniques of Alcohol Management
  – The Operational Alcohol Standards
  – Training of Virginia
  – Training for Intervention Procedures

• Future
  – 3 year renewals
  – Determine vendor’s Virginia training numbers
Responsible Beverage Service Training

LEGEND

- Not Regulated - State does NOT mandate alcohol server training.
- Regulated - State mandates alcohol server training or offers a Responsible Vendor Program
Other Evidence Based Solutions

- Strategic Prevention Programming
- Enhanced Enforcement of Laws Providing Sales to Minors
- Electronic Screening & Brief Intervention
- Dram Shop laws
- Social Hosting laws
- Keg Registration policy
- Drink Specials policy
Issues to Monitor

• High risk drinking

• Compliance rates for retail licensees

• Expanding privileges of licensees (physical expansion, remote locations, tastings/samplings)

• Mixed Beverage Ratio (% of food to alcohol sales)

• Neutral Grain Spirits
Thank You

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