



Market Share Of Alcohol Products and Price Incentives

Prepared by Jinhui Zhao, Gina Martin and Tim Stockwell

INTRODUCTION

BC government liquor stores sell close to 6000 different alcoholic products, differing in quality, taste, beverage type, alcohol content and, of course, price. The potential for harm from these products is not equal. In this Data Note we have analysed the alcohol sales data for fiscal year 2012/13 from the BC Liquor Distribution Branch to examine how well current prices encourage consumers to drink lower strength products within each main beverage type. The tables below summarise how the market share for beers, coolers, wines and spirits varies by beverage strength and price.

DISCUSSION

The results show there are some modest financial incentives for choosing some lower alcohol content drinks but there are also some distinct areas for improvement. The incentive structure looks best if you look at the far right-hand column in each of these tables which shows average prices *per litre of beverage*. However, it is the ethanol content of drinks which causes impairment and has toxic effects on the body and so the best measure relative to harm potential is in fact *price per standard drink*. In Canada this is defined as 17.05 mL of ethanol or the approximate amount of alcohol in a regular can of 5% beer, an small glass of 12% wine or a shot of 40% spirits.

Using this measure, low alcohol content varieties of beers, coolers, wines and spirits are all more expensive than high-strength varieties *per unit of alcohol*. The price per standard drink for average and high-strength beverages is mostly quite consistent though there are some exceptions. Notably, high-strength coolers – a favourite beverage especially for young women – are considerably cheaper at \$1.62 per standard drink on average than all the low and mid strength coolers. There are also a dozen brands of spirits with an alcohol content of more than 60% alcohol by volume and these retail on average for only \$1.76 per standard drink.

These are only average prices – in August 2013 the cheapest alcohol per standard drink in government liquor stores could be purchased for less than 75 cents (fortified wine) and less than \$1 (table wine, cider, beer and coolers) – including all sales taxes.

Beers

Table 1. Market share and price incentives for consumers to drink different strength beers in BC, fiscal year 2012/13

| Strength (%) | % of beer market | Number of brands | Mean content (%) | Mean \$s per standard drink | Mean \$s per litre of beverage |
|--------------|------------------|------------------|------------------|-----------------------------|--------------------------------|
| 2.90-3.99 | 0.29 | 4 | 3.45 | 2.46 | 4.96 |
| 4.00-4.09 | 5.52 | 23 | 4.05 | 2.10 | 4.99 |
| 4.10-4.99 | 10.35 | 65 | 4.55 | 1.98 | 5.27 |
| 5.00-5.09 | 64.39 | 242 | 5.05 | 1.84 | 5.43 |
| 5.10-5.99 | 11.68 | 93 | 5.55 | 1.79 | 5.81 |
| 6.00-6.99 | 2.84 | 40 | 6.50 | 1.81 | 6.89 |
| 7+ | 4.92 | 38 | 7.25 | 1.82 | 7.72 |
| Total | 100.00 | 505 | 5.34 | 1.89 | 5.85 |

Note: The estimates were based on the alcohol sales data provided by the BC Liquor Distribution Branch. The number of brands was estimated as of October 2011.

Coolers

Table 2. Market share and price incentives for consumers to drink different strength coolers in BC, fiscal year 2012/13

| Strength (%) | % of beer market | Number of brands | Mean content (%) | Mean \$s per standard drink | Mean \$s per litre of beverage |
|--------------|------------------|------------------|------------------|-----------------------------|--------------------------------|
| 3.90-4.99 | 2.60 | 2 | 4.45 | 2.40 | 6.24 |
| 5.00-5.09 | 42.30 | 21 | 5.05 | 1.88 | 5.55 |
| 5.10-5.99 | 9.53 | 10 | 5.55 | 2.11 | 6.86 |
| 6.00-6.99 | 7.26 | 9 | 6.50 | 2.00 | 7.64 |
| 7.00-7.09 | 37.72 | 60 | 7.05 | 1.62 | 6.68 |
| 7.1+ | 0.59 | 0 | 7.13 | 2.11 | 8.81 |
| Total | 100.00 | 102 | 5.94 | 1.89 | 6.51 |

Note: The estimates were based on the alcohol sales data provided by the BC Liquor Distribution Branch. The number of brands was estimated as of October 2011.

Wines

Table 3. Market share and price incentives for consumers to drink different strength wines in BC, fiscal year 2012/13

| Strength (%) | % of beer market | Number of brands | Mean content (%) | Mean \$s per standard drink | Mean \$s per litre of beverage |
|--------------|------------------|------------------|------------------|-----------------------------|--------------------------------|
| 5.00-07.99 | 0.39 | 32 | 6.50 | 2.39 | 9.09 |
| 8.00-10.99 | 2.46 | 121 | 9.50 | 1.92 | 10.71 |
| 11.00-12.49 | 30.11 | 673 | 11.75 | 1.78 | 12.25 |
| 12.50-14.99 | 62.89 | 2680 | 13.75 | 1.82 | 14.71 |
| 15.00-19.99 | 3.26 | 172 | 17.50 | 1.81 | 18.59 |
| 20.00+ | 0.90 | 84 | 21.25 | 2.01 | 24.97 |
| Total | 100.00 | 3762 | 13.06 | 1.86 | 14.12 |

Note: The estimates were based on the alcohol sales data provided by the BC Liquor Distribution Branch. The number of brands was estimated as of October 2011.

Spirits

Table 4. Market share and price incentives for consumers to drink different strength spirits in BC, fiscal year 2012/13

| Strength (%) | % of beer market | Number of brands | Mean content (%) | Mean \$s per standard drink | Mean \$s per litre of beverage |
|--------------|------------------|------------------|------------------|-----------------------------|--------------------------------|
| 7.00-19.99 | 2.89 | 67 | 13.50 | 2.44 | 19.32 |
| 20.00-34.99 | 3.65 | 59 | 27.50 | 2.10 | 33.91 |
| 35.00-39.99 | 7.83 | 56 | 37.50 | 1.85 | 40.74 |
| 40.00-40.09 | 81.43 | 501 | 40.05 | 1.92 | 45.03 |
| 40.10-59.99 | 3.71 | 190 | 50.05 | 1.87 | 54.99 |
| 60+ | 0.48 | 16 | 64.98 | 1.76 | 66.97 |
| Total | 100.00 | 889 | 38.39 | 1.94 | 43.05 |

Note: The estimates were based on the alcohol sales data provided by the BC Liquor Distribution Branch. The number of brands was estimated as of October 2011.