



Amended: November 21, 2023  
Original publication: April 18, 2005

## MARKETING PRACTICES ADVISORY – MPA014

# Offering Price Discounts for Alcohol Sold to Consumers

**To:** Retailers and manufacturers authorized to sell directly to consumers

## Scope of the Advisory

This advisory provides guidance on how retailers and manufacturers authorized to sell directly to consumers may offer price discounts and loyalty programs as part of a promotional pricing strategy.

## General Rule

It is unlawful for the holder of a license or permit to give or offer to give to any person any inducement with the purchase of alcoholic beverages. Further, no license or permit holder may give any rebate or coupon redeemable by the public for the purchase of or for a discount on the purchase of any alcoholic beverage.

Nevertheless, it is not the Commission's intention to dictate how retailers and manufacturers price their products to consumers. The Commission recognizes that retailers and manufacturers use various promotional practices and pricing methods to attract consumers and drive sales. However, the agency must ensure that these practices do not constitute an illegal inducement, rebate, or coupon under [TABC Rule § 45.101 \(Rebates and Coupons\)](#).

Retailers and manufacturers may offer consumers quantity discounts for alcoholic beverages that are purchased for off-premises consumption, so long as such practice does not operate as a coupon or illegal inducement. Additionally, manufacturers need to abide by any off-premises consumer sales limitations imposed by statute for their permit (Alcoholic Beverage Code §§ 14.05(c), 16.01(a)(5)(B), and 62.122(a-1)).

Permissible quantity discounts **MAY** contain, but are not limited, to:

- "Save 10% when you buy 6 or more bottles of wine."
- "\$5 off when you purchase 2 or more 6 packs of beer-to-go."

Please note, the consumer should not be required to present a coupon in order to take advantage of the promotion. If the consumer has to cut out a coupon to receive the discount, it is illegal.

Quantity discounts **MAY NOT** contain the following:

- “Buy 3 or more bottles of wine and receive a free wine opener.”
- “Receive 10% off in-store mixers when you purchase 2 or more bottles of vodka.”

Requiring the purchase of an alcoholic beverage in order for the consumer to receive a free or discounted item is considered an illegal inducement to purchase alcohol.

## **Loyalty Programs**

Loyalty programs are another marketing program that can be used to offer quantity discounts. Retailers and manufacturers have the ability to offer in-house loyalty programs for alcohol purchased for on or off-premises consumption. The intent of a loyalty program is to encourage consumer retention, but the methods used in a retailer’s or manufacturer’s program must comply with [TABC Rule § 45.102 \(Loyalty Programs\)](#).

Retailers and manufacturers **may**:

- make the program/quantity discount available to all consumers.
- offer discounts on the purchase of alcohol and non-alcoholic beverage products or other items sold directly to the consumer.
- have a point accrual and redemption component whereby accrued points may be redeemed on alcoholic beverages and non-alcoholic products.
- only award points on purchases sold directly to the consumer by the manufacturer or retailer.

Retailers and manufacturers **may not**:

- include the use of coupons.
- conflict with [TABC Rule § 45.103 \(On-Premises Promotions\)](#) if alcohol sold is for on-premises consumption.
- have a retailer directly or indirectly receive reimbursement for a loyalty program from an upper-tier member.

## **Statement From TABC**

This advisory is issued pursuant to Alcoholic Beverage Code §5.57. It represents the opinion of the staff of the Commission. We hope this opinion will assist you in your endeavors. If you would like additional information or have questions regarding this advisory, you may contact me in writing at P.O. Box 13127, Austin, TX 78711; by email to [advisories@tabc.texas.gov](mailto:advisories@tabc.texas.gov); or by phone at 512-206-3411.

Sincerely,



Andrea Maceyra  
Chief of Regulatory Affairs