



## Five Key Trends Shifting the Beverage Alcohol Market in 2025

*As economic uncertainty persists into 2025, a number of growth opportunities are manifesting themselves for beverage alcohol. Emerging economies offer a buoyant counterpoint to more subdued mature markets and nascent growth in the on-trade sounds a note of optimism for the year ahead.*

The global drinks industry is facing a “subdued but opportunity-rich” trading environment in 2025, with five key trends set to shape the year ahead, according to the latest research from IWSR.

After persistent inflation, geopolitical tensions and varying levels of consumer confidence characterized 2024, the next 12 months will be marked by continued economic uncertainty, but also a number of promising growth opportunities.

In mature markets such as the U.S. and Europe, stubbornly high inflation rates continue to pressurize consumer purchasing power, but emerging economies appear more buoyant.

India, South Africa and several countries in Southeast Asia and Latin America are benefitting from the positive impact of younger consumers, expanding middle classes and increased urbanization with a growing preference for premium and innovative products, alongside a greater willingness to explore new drinking occasions and categories.

“The drinks industry faces a subdued but opportunity-rich environment in 2025,” said Emily Neill, Chief Operating Officer Research and Operations. “Channel shifts offer a note of optimism, with the on-premise showing nascent growth in some key markets, and digital platforms wielding a growing influence on both online and offline purchasing decisions. As these key trends shape the beverage alcohol landscape in 2025, they start to frame some key growth segments and markets for the industry. Navigating these will require growth opportunities to be assessed on a market, category and price-tier basis, with a more nuanced approach than was previously needed.”

**IWSR has identified five key trends shaping the opportunities for beverage alcohol in 2025:**

### 1: New moderation strategies

“Drinkers are now more habitual in their control of alcohol intake,” said Susie Goldspink, Senior Insights Manager – RTDs and No/Low Alcohol. “This trend spans all age groups, regions and demographics, highlighting moderation as a mainstream cultural phenomenon, rather than a trend limited to younger LDA+ consumers.”

#### Moderation strategies implemented by consumers include:

- **Lighter consumption:** There has been a significant increase in the proportion of ‘light’ drinkers — those with low consumption frequency and/or intensity. This group is now the largest segment across the 15 key markets covered by IWSR’s Bevtrac consumer research, surpassing ‘medium’ and ‘heavy’ drinkers.
- **Temporary abstinence:** This trend is gaining momentum, especially among younger LDA+ consumers. In India, 72% of more affluent drinkers in ten major cities reported abstaining for a period. In South Africa, Mexico and Brazil, over half of consumers report similar behavior.

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## WSWA’s SipSource Releases 2024 Year-End Report

*Year-End Report Highlights Changing Consumer Trends, Market Disruptions and a Path to Stabilization in 2025*

Wine & Spirits Wholesalers of America’s (WSWA) SipSource has released its Q4 2024 Industry Report, providing an in-depth analysis of 2024 year-ending market trends, disruptive category growth and projections for 2025. The report highlights the evolving landscape of the wine and spirits sector amid economic pressures and shifting consumer preferences.

	Volume	Revenue
Total Wine & Spirits	-5.4%	-4.8%
Wine	-7.2%	-6.3%
Spirits	-3.7%	-4.3%

### Consumer Behaviors Drive Unprecedented Headwinds

The beverage alcohol industry encountered one of its most challenging years in collective memory with all three categories experiencing volume declines. According to WSWA’s SipSource, spirits depletions fell -3.7% and wine fell -7.2% in December-ending data. Unlike previous cycles where volume shifted between categories, the overall decline signals a broader challenge facing the industry from changing consumer behaviors trending away from alcohol consumption.

“Shifting lifestyle choices — including the rise of moderation and abstinence trends — are reshaping consumption patterns,” said SipSource Analyst and industry veteran Dale Stratton. “Additionally, the industry is facing competition from alternative adult beverages like energy drinks, botanical-infused drinks and hemp-derived products, which are increasingly winning traditional alcohol consumption occasions.”

Moreover, unlike in recent years, revenue trends also followed a downward trajectory, with spirits revenue declining -4.3% and wine revenue falling -6.3% in 2024. Consumers are not trading up as they consume less — the premiumization trend is all but dead with the exception of a few categories. Another key factor driving this downturn is the rapid rise in popularity of spirits-based premixed cocktails, which while contributing

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