



Harnessing the Opportunities in a Reviving On-Premise

by The IWSR Drinks Market Analysis, www.theiwsr.com

A recovering global on-premise is key to the revival of beverage alcohol across key markets, but how do you obtain a clear and consistent measure of this notoriously fragmented and elusive channel? A new on-premise value measure from IWSR may have the answers.

The global on-premise is emerging from years of disruption with positive signs of growth from a number of key markets, and now a new on-premise value product from IWSR offers a fresh window on this often-opaque channel, with unrivalled depth and granularity.

The slowdown in on-premise consumption over the past few years — the result of pandemic disruption, price increases and consumer behavior changes — has hampered total beverage alcohol (TBA) volumes as a whole.

By the same token, however, the channel's recovery is key to the revival of TBA consumption across key markets. According to IWSR Bevtrac consumer research conducted in September 2024, on-premise consumption incidence is on the up: for example, while 58% of people surveyed in China in September 2023 said their last beverage alcohol consumption occasion occurred in the on-premise, this number had increased to 64% in September 2024.

A similar dynamic is evident in a number of key markets, including the U.S. (increasing from 31% to 34%); the U.K. (35%-40%); Mexico (34%-40%); Italy (43%-48%); Germany (27%-33%); and Canada (19%-24%).

"After years of disruption, the on-premise channel is showing signs of revival in key countries, driving a long-awaited note of optimism for the global beverage alcohol market," said Richard Halstead, COO Consulting & Consumer Insights. "The propensity to go out for Millennials in the U.S. in particular over-indexes; as their circumstances start to improve, premium beverage categories such as whiskies and sparkling wine appear to be the biggest beneficiaries. Moderation is still evident in both the off- and the on-premise. However, our research shows that the going-out occasion prompts higher spend and more experimentation."

On-Premise Opportunities: The Problem

However, molding a strategy to exploit growth opportunities in the on-premise remains highly challenging: reliable data and estimates of on-premise value by market are hard to find, and there is a general lack of visibility into the size of the prize in terms of the channel's sell-out value — in other words, the amount of money actually spent by consumers in the world's bars and restaurants.

"Coverage of beverage alcohol in the global on-premise is notoriously patchy," said Xian Wang, Chief Product Officer. "Local markets may have some sources, such as wholesalers or distributors, but stitching these together is painful, thanks to the existence of different approaches and methodologies.

"As a result, comparing and contrasting markets and categories in a standardized, consistent way is difficult. Decisions are therefore often made based on instinct, and on a few conversations or analogies from local markets and are not grounded in consistent and comprehensive data."

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Alcohol Spending Jumps 38% Nationwide, But Many Are Cutting Back

While declining alcohol sales in 2024 have been in the news, one in two Americans still plan to drink in 2025, led by the Millennials, according to Lending Tree News. Alcohol spending has also increased by 38% over the past decade, and consumption increased 14.2% from the year 2000.

Other findings:

- 58% of Americans have no plans to change their drinking habits this year. Meanwhile, 33% of drinkers report they've cut back, and 28% plan to cut back even more in 2025.
- Who is Drinking? Millennials were the most likely (55%) to say they will be drinking, but 59% of Generation Z'ers aren't drinking at all. Six-figure earners (60%) were also 1.6X more likely to say they drink, compared to those earning under \$30,000/year (38%).
- Why Are They Drinking? 60% of drinkers do so for relaxation, but some drink for concerning reasons. 38% rely on booze for stress relief, 17% use booze to self-medicate and 51% of non-drinkers say they abstain for health reasons.
- What Are They drinking? Beer consumption fell 17.1% from the year 2000, but there has been a 65.6% increase in spirit consumption, and a 35.5% jump in wine consumption.
- Where Are They drinking? Delaware, North Dakota and Tennessee saw the largest growth in per capita alcohol consumption from the year 2000. South Carolina, Georgia and Idaho experienced the largest declines.

The full report and methodology are available [here](#).

