



**MEDIA CONTACT**

Michael Bilello  
[michael@wswa.org](mailto:michael@wswa.org) | (202) 716-4805

**FOR IMMEDIATE RELEASE**

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## **WSWA's SipSource Explores Expected Holiday Trends and 2024 Drinks Preview**

**SipSource Analysts: "Expect consumers to spend less or the same this holiday season, but typically trade up to more premium products"**

*WSWA's SipSource Announces New 2024 Forecasting Capabilities*

**WASHINGTON, D.C., 10/19/2024** – Yesterday, WSWA's SipSource hosted its annual [Holiday Trends and Drinks Preview webinar](#) with Analysts and industry veterans Danny Brager and Dale Stratton briefing attendees on what they can expect this holiday season, and previewing emerging trends for 2024.

Stratton and Brager shared recent data and findings suggesting that a greater share of U.S. adults said they plan to spend less (42%) rather than more (12%) on the holidays this year — with nearly half of respondents intending to spend the same on alcohol as they did in 2022.

"We have to get some context on where we are and what's going on here," said Stratton on the current state of the industry. "We had a once-in-a-lifetime pandemic which changed consumer buying patterns, we have geopolitical unrest and on top of that today's economic conditions are tough. Consumer debt levels are extremely high, interest rates are difficult, and inflation continues to be daunting."

However, consumers do premiumize during the holidays as part of their celebrations and gift giving. SipSource three-month-ending December data over the past couple of years saw marked increases in the share of premium wine and spirits products. For instance, each of spirits over \$25 and table wine over \$15 rose by close to three percentage points in that three-month period at the end of the year compared to the three-month-ending September data. Despite difficult economic conditions, SipSource analysts anticipate a similar share growth of premium products as we move into the 2023 holiday season with consumers trading up despite constrained financial resources.

## **As Premiumization Wanes, Expect Growth in Unexpected Channels**

“While consumers continue to trade up in certain segments, premiumization levels in several segments are waning as economic conditions continue to pressure consumer budgets. These market forces and others benefit some channels more than others, and we see that in terms of which channels consumers are gravitating to,” said Brager. “Convenience stores, especially C-store chains, value and discount retailers within the off-premise — as well as recreation and transportation channels within the on-premise — are a couple of ones trending more positively that we are keeping our eyes on.”

Year-to-date (through August 2023) convenience store chains have seen a +7.0% volume increase in spirits (compared to a -6.0% overall off-premise decline) and a +0.4% volume gain in wine (compared to a -8.3% overall off-premise drop).

## **White Wine Poised to Continue to Outperform Red and Pink**

Growth in Sauvignon Blanc, Pinot Grigio and White Blends, along with the continued popularity of Prosecco, is driving white wine to outperform red and pink wine substantially in both the on- and off-premise. Analysts point to today’s focus on wellness diets and preferred food pairings as consumer trends driving some of these purchasing behaviors.

Despite sparkling wine’s volume share dropping -6.3% overall in the latest 12-month August 2023 ending data, Prosecco continues to be a growth engine, trending +4.5%. Analysts expect it to be a popular choice throughout the holiday season and into 2024.

## **The Bottom Line**

While Brager and Stratton both predict wine and spirits category trends will improve relative to what we've seen the last few months, economic, geopolitical, and evolving consumer sentiments will continue to subdue growth rates. “It’s going to get better,” they say, “but the question is by how much?”

## **WSWA’s SipSource Announces New 2024 Forecasting Capabilities**

Existing industry forecasting solutions rely on partial data and black-box methodologies to arrive at suboptimal forecasts that drive major business decisions. To solve for this, SipSource and partners Kearney, VIP and NielsenIQ will introduce a new forecasting capability in January 2024.

This SipSource forecasting tool will be the ONLY forecast in the market rooted in wholesaler depletion data plus Nielsen POS + third party data like macroeconomic, demographic, and social media trends, all brought together through AI-based modeling.

Preliminary 2024 forecasting will be available for select categories including Tequila, Brandy/Cognac, and American Whiskey at the beginning of the year, with more categories to come throughout the next 12 months. Please contact Eric Schmidt at [eric.schmidt@wswa.org](mailto:eric.schmidt@wswa.org) for more information on the upcoming SipSource forecast.

### **About WSWA's SipSource**

SipSource is the only source for aggregated distributor depletion data, built from unique items sold to individual stores. Since wholesalers distribute to all types of retailers, SipSource has unrivaled channel segmentation. It also covers the largest volume of bona fide alcohol sales and does not need to rely on estimates, samples or projections. SipSource uses an industry-leading platform: VIP's iDIG to deliver timely, transparent and trusted data. In addition to the reporting tool, subscribers have access to quarterly and annual reports that leverage powerful collaboration with industry leaders and provide high-level insights into the wine and spirits marketplace.

Interested in subscribing to SipSource? Please contact Eric Schmidt at [eric.schmidt@wswa.org](mailto:eric.schmidt@wswa.org) for more information.

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