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FOR IMMEDIATE RELEASE

10/10/2024

**WSWA's SipSource: Wine and Spirits Sales Decline Continues
12 Months Through August: Wine Down -8.0%, Spirits -3.9%**

WASHINGTON, D.C., 10/10/2024 – New data released by WSWA's SipSource today reveal that wine and spirits depletions—actual sales from wholesalers to over 450,000 retailers nationwide—declined -6.0% in the 12 months through August 2024. Wine saw a more significant drop of -8.0%, while spirits fell by -3.9%, signaling potential challenges for the remainder of 2024 and into 2025.

SipSource analysts noted that, despite earlier optimism driven by factors such as destocking and seasonal shipping patterns, broader consumption trends are cause for concern.

Dale Stratton, SipSource analyst and industry veteran, said, "One fewer shipping day in August contributed to the decline, but it doesn't fully explain the larger systemic issues we're seeing in both on- and off-premise channels."

Stratton added, "This report highlights how premiumization, once a major growth driver, is facing pressure in a tightening market. The \$100+ price tier in spirits within bars and restaurants performed the worst, declining -12.5%, while mid-range tiers, such as \$50-\$99.99, saw a more moderate decline of -3.9% in on-premise depletions."

"For off-premise—where over 80% of consumer market volume lies—the \$100+ tier fell by -8.5%, while the \$50-\$99.99 tier dropped 4.3%," Stratton noted.

On the wine side, the \$8-\$10.99 table wine price tier experienced a double-digit drop of -12.7% across combined on- and off-premise channels. "Wine is hurting," Stratton said, pointing to changing consumption patterns, economic and inflationary pressures, and reduced shelf space as contributing factors.

Danny Brager, another SipSource analyst, highlighted a few bright spots for wine in the otherwise down market. "Prosecco continued to perform well, up a little over +2% in the last 12 months. The \$50+ table wine segment also saw an increase of almost +1% over the past six months, with domestic wines in this tier up nearly +3%. This is a promising sign heading into the critical O-N-D period, offering hope that consumers in higher price tiers are still willing and able to spend."

Looking ahead, Brager warned that the coming months, including the crucial holiday selling season, will present challenges for most wine and spirits categories. This is underscored by declines in points of distribution across most product classes in both on- and off-premise channels, he added, signaling reduced wine and spirits assortment in stores and bar/restaurant lists.

Michael Bilello, WSWA Executive Vice President and Director of SipSource, emphasized the value of SipSource's unique forecasting capability, powered by its proprietary model.

"SipSource is the only data source that not only captures retrospective market insights but also forecasts up to 10 months ahead," Bilello said. "Our 2024 forecast, in specific categories and price points, has proven to be nearly 90% accurate."

He added, "At a time when other predictions of recovery and economic anomalies have proven incorrect, SipSource offers unparalleled analysis and modeling capabilities. It remains an essential tool for staying ahead in this unpredictable market."

"As the wine and spirits sector navigates these turbulent times, SipSource's comprehensive and accurate data continues to offer critical insights for stakeholders at every level—whether supplier, wholesaler, or retailer," Bilello concluded.

Specific category and price point information, as well as briefings with a SipSource analyst, are available upon request.

The SipSource 2024-25 Forecast has been released to subscribers, with select insights to be publicly shared in the coming weeks.

Email Michael Bilello (michael.bilello@wswa.org) to speak with Brager or Stratton or for Specific Category, Price Point Info.

For those interested in subscribing to WSWA's SipSource, please contact Eric Schmidt at Eric.Schmidt@wswa.org

About WSWA's SipSource:

WSWA's SipSource is the only trusted source for accurate wine and spirits trends and market share insights based on aggregated distributor depletion data. Representing over 60% of wholesale products by volume across all 50 states, with more than 150,000 product SKUs, from over 450,000 outlets, SipSource data is exclusively sourced from America's family-owned wine and spirits wholesalers.

This verified, primary-source data is never shared or sold to third-party providers. Built on detailed, single-product transactions from wholesalers to retailers, SipSource covers hundreds of thousands of outlets. Its data set delivers both reliable historical trends and forward-looking forecasting capabilities.

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