

US Beverage Alcohol Volumes Decline Again in 2017

Boston. The IWSR, the leading provider of data and analysis on the global beverage alcohol market, has released initial 2017 category results for the US market as part of its US Beverage Alcohol Review (US BAR) database.

After analyzing preliminary 2017 volume, the IWSR says total US beverage alcohol consumption declined for the second consecutive year by -0.2%. This loss is more than double that of 2016, a decrease of 17.6m gallons, or 7.4m nine-liter cases.

Beer volumes continued to slide in 2017 (-0.5%), which weighed down the performance of total beverage alcohol. The growth of spirits (+2.3%) and wine (+1.3%) were unable to make up the difference in volume due to beer's overwhelming 79% share of total beverage alcohol.

The decrease in total beverage alcohol consumption is directly related to the slow-building trend of moderation or not drinking at all. Signs of health and wellness permeate the industry with increasing frequency. From all-natural ingredients to low-ABV to zero-proof mocktails, consumers are clearly gravitating toward 'healthier' drinking experiences.

The bright spots of 2017 were wine and spirits which stole share from beer and increased in volume. The long-term trend of premiumization has continued to spur growth. Premium-and-above offerings currently make up 33% of the spirits category and 22% of the wine category respectively (compared to just 12% and 2% in 1990).

Within spirits, whisky showed the most momentum (+3.9%), outperforming non-whisky (+1.7%). Within the whisky category, Bourbon, rye, malt Scotch, Irish and Japanese offerings fared the best, while tequila, mezcal, brandy and Cognac led in the non-whisky segments. Still wine grew a modest 1%, while sparkling wines, especially prosecco (+23.2%), led the growth for the wine industry.

Another key trend helping propel wine and spirits is the rise in alternative packaging and small sizes. For spirits, 50ml and 100ml offerings increased at rates of 18.1% and 13.6% respectively, while 187ml and 500ml wines experienced double-digit growth rates. The rise in the quality of boxed and canned wines has changed consumer perception. Most importantly, this trend has been a direct hit on beer occasions like sporting events and other outdoor activities.

Please note, although we are confident in the accuracy of the data contained in this analysis, the information is considered preliminary data (p) and is subject to revision with the official IWSR 2017 global database release in May 2018.

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About the IWSR US Beverage Alcohol Review

The IWSR US Beverage Alcohol Review (US BAR) is the most comprehensive source in the United States covering the entire beverage alcohol universe: spirits, beer, wine, cider and the important craft segment. Available as an interactive online dashboard in addition to a comprehensive written report, the US BAR includes consumer demographics, state data, five-year forecasts by category, brand advertising spends, all beverage alcohol brand volume and value data, new products, innovation and trend insights, e-commerce data, and more.

About the IWSR

The IWSR is the leading source of data and analysis on the alcoholic beverage market. The IWSR's database, essential to the industry, quantifies the global market of wine, spirits, beer and mixed drinks by volume and value, and provides insight into short- and long-term trends. Our data is used by all of the largest multinational wine and spirits companies, as well as many more local companies. The IWSR's unique methodology allows us to get closer to what is actually consumed and better understand how markets work. The IWSR conducts face-to-face interviews with over 1,500 companies in 118 countries each year, with further input from 350 companies. The IWSR tracks overall consumption and trends at brand, quality and category level.