

FOOD AND BEVERAGE

Consumers will opt for premium and local spirits after COVID: IWSR

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The coronavirus is changing the wine and spirits industry. Image credit: IWSR

By LUXURY DAILY NEWS SERVICE

The coronavirus pandemic will have a lasting impact across the global beverage alcohol market according to a new report from market researcher IWSR.

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IWSR's Global Trends 2020 Report examines six macro trends in the wine and spirits industry: digital and e-commerce; sophistication and premiumization; evolving traditions; external pressures; health and ethical consumption; and social drinking experiences. These will influence when and how affluent consumers will spend on alcoholic purchases.

Industry growth

IWSR forecasts that premium-and-above spirits will increase their global volume market share to 13 percent by 2024. China remains the world's largest premium-and-above wine and spirits market by volume, closely followed by the United States.

Consumers will also be more likely to seek out local wines and spirits as they look to support local economies amid prolonged travel restrictions. One exception to this trend is premium tequila, which has grown 15 percent year-over-year from 2015 through 2019.



The premium tequila market has shown strong growth. Image courtesy of Villa One

Alcoholic beverages that retail for \$100 or more, the so-called "status spirits" market, grew 7 percent annually from 2014 to 2018, becoming a \$8.3 billion market.

This category has a history of being recession-proof. Global prestige-plus spirits grew 82 percent in volume, and almost 230 percent in value between 2008 and 2012, illustrating the resilience of high-end spirits even after economic challenges ([see story](#)).

Meanwhile, health-conscious consumers will likely opt for higher-quality spirits on the occasions they choose to indulge. The organic wine market should see continued interest from these drinkers, with the top markets being Germany, France, the United Kingdom, the U.S., Sweden and Japan.

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