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SIPSOURCE THIRD QUARTER DATA SHOWS CONTINUED SUCCESS FOR SPIRITS IN EVER-CHANGING LANDSCAPE, STRUGGLES FOR WINE

The Holiday Season is Vital for Wine to Get Back on Track in the New Year

WASHINGTON, D.C., 11/22/2021 – SipSource by Wine & Spirits Wholesalers of America (WSWA), the first and only source for wine and spirits distributor depletion data that covers sales to hundreds of thousands of on- and off-premise accounts, today released third quarter data findings. The 2021 Q3 SipSource Report identifies wine and spirits trends and explores commercial and consumer tendencies as the country emerges from pandemic consumer behaviors. The 2021 Q3 SipSource Report focuses on data over a 12-month period (October 2020 — September 2021), predicts what consumer trends will bring for both the on- and off-premise, and gives short- and long-term insight and understanding for the industry's future.

“One of the largest takeaways from the Q3 report is the continued, steady growth of spirits,” said Dale Stratton, SipSource Analyst. “The impressive performance of spirits categories continues to be strong and is leading the total alcohol growth over the long term, with no signs of slowing down. However, wine is still facing an uphill battle — let’s hope the holiday season gives it the boost it needs.”

SipSource Q3 data shows how in an ever-changing landscape, the strength of spirits continues to remain consistent — especially when compared to wine. According to 12-month rolling numbers ending in September 2021, spirits are showing an overall volume growth of +5.9%. When looking at the year-to-date nine-month period, it’s even stronger, up +8.3%. SipSource data anticipates a strong year-end close for spirits, estimated to finish above the current +5.9% trend.

Premixed Cocktails continue to lead spirits growth, up a staggering +45.1% — representing the seventh-largest product class in spirits, with 6.9% share of volume. Tequila and agave spirits also continue to see growth, up +18.3%. Cordials and Liqueurs are up +8.9%, followed by Irish Whisky, up +7.1%.

On the other hand, wine continues to struggle and is down -5.4% percent for the 12-month period ending in September. But the bad news doesn’t end there: when looking at the latest nine-month period, wine is down -6.7%, and down -8.9% in the latest three-month period. The

wine trends continue to be concerning. While Sparkling Wines are experiencing growth, up +11.8%, Table Wine is down -7.2%. Wine is expected to follow spirits in having a strong holiday season but will most likely not see a positive trend before the new year.

“As we head into the holidays, it’s important to look back at last year’s comp period,” said Stratton. “During October to December of 2020, depletion trends were soft, down -2.2% in total. This means we should see elevated trends during October, November and December of 2021.”

The upcoming holidays will be an important time for the industry — specifically wine. While the on-premise channel is seeing great recovery, it is not without complications. Because comps are so unstable, trends in the on-premise are of little to no help. To aid in this, SipSource created the Channel Shifting Index (CSI), delivered monthly, which tracks the progress for wine and spirits compared to the base share in February 2020. View the latest CSI report [here](#).

For members of the media who wish to discuss the Q3 report with a SipSource analyst, please contact Michael@WSWA.org.

For professionals interested in subscribing to this data set, please contact Nicole@wswa.org.

About SipSource by WSWA

SipSource by Wine & Spirits Wholesalers of America (WSWA) 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 by WSWA uses an industry leading platform, VIP’s iDIG, to deliver timely, transparent and trusted data each month. 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 Nicole Anderson at nicole@wswa.org for more information.

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