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**FOR IMMEDIATE RELEASE**

10/06/2022

**WSWA'S SIPSOURCE LATEST CHANNEL SHIFTING INDEX REMAINS SLIGHTLY BELOW PRE-COVID LEVELS  
AS INFLATION IS LIKELY SLOWING THE FULL RETURN OF ON-PREMISE**

*American Adults Are Dining Out Less and Cutting Spending on Alcohol as Recession Warnings Loom*

**WASHINGTON, D.C., 10/06/2022** – Wine & Spirits Wholesalers of America's (WSWA's) SipSource today released the latest set of Channel Shifting Index (CSI) data that provides wine and spirits professionals access to easy-to-understand channel performance data for wine and spirits categories/segments, price tiers, and U.S. regions that are relevant to successfully navigate the current market environment.

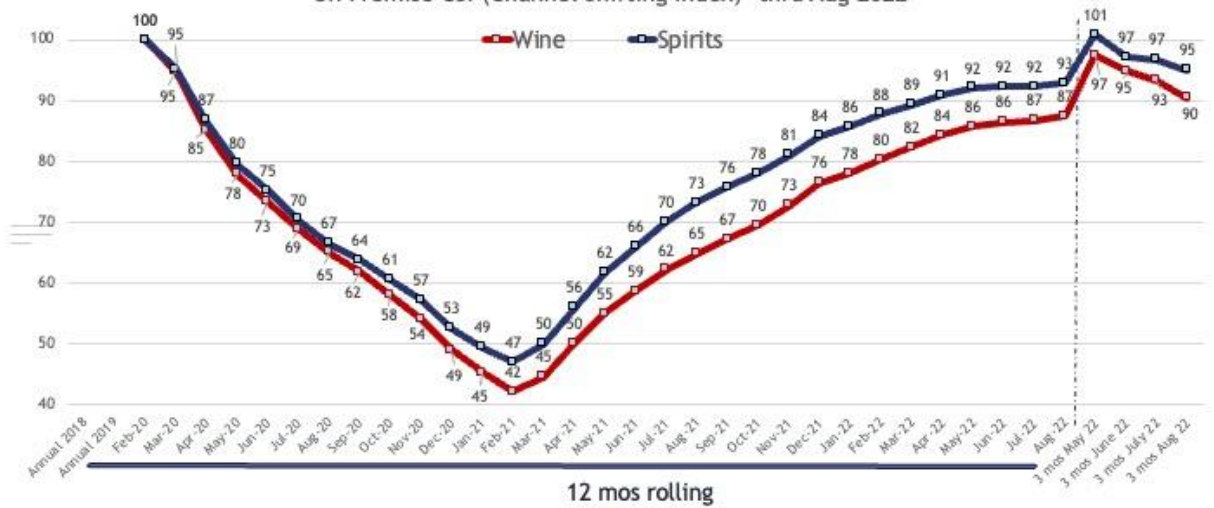
WSWA's SipSource is the most comprehensive source for channel performance and shifts based on distributor depletion data across both off- and on-premise channels and sub-channels at national and U.S. census division levels.

After many months of significant on-premise share growth in 2021 and early 2022 as the industry recovered from COVID-19, the latest CSI data for the three months ending in August shows a third month of consecutive decline in the importance of the on-premise since its recent high in May 2022, falling to 95 for spirits and to 90 for wine. The on-premise consists of channels such as restaurants, bars/nightclubs, lodging, recreation, and transportation.

"The most recent CSI data tells us that inflation is likely having an impact on on-premise volume," said Danny Brager, SipSource analyst and industry veteran. "We have been watching the on-premise trends quite closely, and while overall volumes are still up compared to a year ago, the pace of recovery has slowed."



On Premise CSI (Channel Shifting Index)\* thru Aug 2022



\*On Premise share indexed to its 12 mos ending Feb 2020 share (volume)

This data mirrors a recent Morning Consult [survey](#) that measured the impact of inflation on dining out habits. The results showed 53% of American adults have adjusted their eating and drinking habits as inflation rose. According to the survey, 84% reported they are eating out at restaurants less, while 73% of respondents reported that they are going out to bars less. Additionally, 63% said they are purchasing less alcohol as a result of inflation.

“Unfortunately, with inflation rising, dining out is first on the chopping block as consumers look to save money,” said Morning Consult’s Food and Beverage Analyst Emily Moquin. “It’s likely we’ll see this trend of spending less at restaurants and bars continue as recession warnings strengthen.”

While the CSI for most wine and spirits product segments retreated from prior-month levels, there were some notable exceptions for on-premise:

- The ready-to-drink (RTD) cocktails category continues to grow at a rapid pace within the on-premise. This channel now represents 11% of spirits RTDs’ overall volume, compared to just 4% pre-COVID.
- Some wine segments have also seen improvement in CSI levels. Table wine blends (both red and white), along with rose and vermouth have seen growth in the CSI three months ending in August 2022, in some cases (e.g., rosé) also related to seasonality

When we look at all sub-channels for both on- and off-premise, the data showed that only the Transportation channel had an increase in the CSI, as well as a significant volume increase in both wine and spirits depletions in the three months ending in August 2022. The importance of the Recreation channel also held up quite well.

“The good news from the Transportation channel shows that consumers enjoyed summer travel and vacations with less concern for COVID-19 compared to the past two summers,” added Brager.

“As we continue to watch inflation, the channel and sub-channel views within SipSource will provide an indication of where consumers might be shifting their spending to, and from.”

#### **How to Read WSWA’s SipSource CSI Index:**

The SipSource CSI provides monthly comparisons of channel importance to pre-COVID levels (12 months to February 2020). An index above 100 indicates the channel has a greater share of the market than it had pre-COVID; an index of less than 100 indicates the channel has a smaller share of the market than it had pre-COVID. Note that CSI rankings compare relative market shares, and not overall sales/depletion volumes. This data will enable you and your teams to answer questions, such as:

- Where should you focus/invest? Where should you hold back?
- Are you keeping pace with overall category/segment trends in various channels?

For members of the media who wish to discuss CSI data with a SipSource analyst, please contact Michael Bilello ([michael@wswa.org](mailto:michael@wswa.org)). For professionals interested in subscribing to this SipSource data set, please contact Nicole Anderson ([nicole@wswa.org](mailto:nicole@wswa.org)).

#### **About SipSource by WSWA**

WSWA’s SipSource is the only source for aggregated distributor depletion data, built from tracking 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. WSWA’s 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.

#### **About Wine & Spirits Wholesalers of America**

WSWA is the national trade association representing the distribution tier of the wine and spirits industry, dedicated to advancing the interests and independence of distributors and brokers of wine and spirits. Founded in 1943, WSWA has more than 380 member companies in 50 states and the District of Columbia, and its members distribute more than 80% of all wine and spirits sold at wholesale in the United States.

To learn more, please visit [www.wswa.org](http://www.wswa.org) or connect with us on [Facebook](#) or [Twitter](#).

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