

IWSR flags six macro forces reshaping global alcohol markets amid economic pressures

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Selective premiumisation is no longer a straightforward upward curve. Growth is fragmented, fueled by specific regions, occasions, and categories such as beer and RTD cocktails. Consumers are increasingly motivated by personal values and perceived quality rather than status, trading up selectively even as overall consumption declines.

Evolving lifestyles are reshaping demand, with value, personalization, and immersive experiences taking priority. Many consumers who initially cut back on alcohol for economic reasons are sustaining lower-consumption habits. At-home occasions, digital connections, and travel experiences are gaining ground, while traditional drinking moments lose traction.

Digital and technology remain powerful growth engines. Ecommerce, up 2 per cent in value globally in 2024, is connecting brands directly with consumers and enabling new operating models. Asia-Pacific leads in channel expansion, while influencer-driven storytelling is shifting focus toward moderation and lifestyle positioning, particularly in RTDs.

Social drinking patterns are adjusting to tighter budgets and redefined status markers. Early-evening, lower-tempo moments such as the aperitivo are gaining popularity, and at-home “third spaces” are emerging as cost-controlled alternatives to on-trade venues. Brands with strong cocktail offerings and a balance of value and quality are positioned to benefit.

Health and ethics continue to drive moderation, with no- and low-alcohol beverages growing 9 per cent in 2024. Consumers are “zebra striping” between full-strength and zero-ABV drinks, while local brands gain momentum in markets where cultural pride and price-quality balance are decisive. Sustainability remains a purchase driver, particularly for Gen Z and Millennials, despite cost constraints.

External pressures “from geopolitical instability to regulatory tightening” are reshaping market conditions. Tariff changes, evolving trade agreements, and stronger public health messaging are impacting category performance and consumer choices. Businesses are urged to adopt contingency plans, diversify markets, and monitor shifting policy landscapes to safeguard growth.