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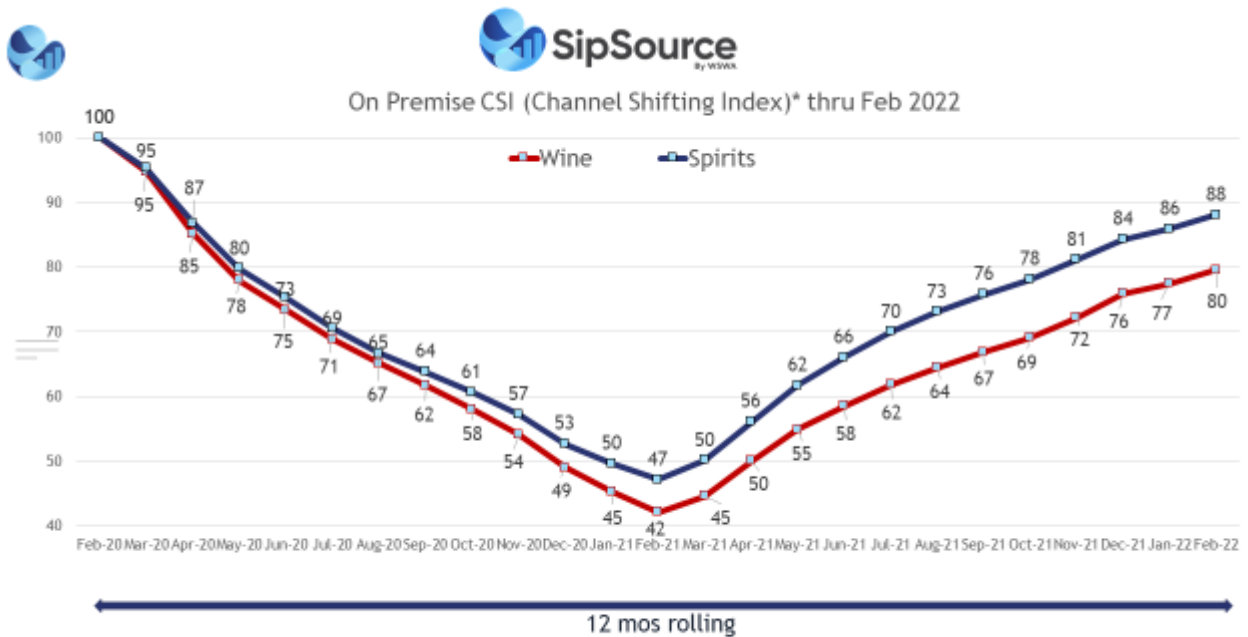
04/04/2022

WSWA’S SIPSOURCE LATEST CHANNEL SHIFTING INDEX (CSI) FOR ON-PREMISE REACHES A NEW RECOVERY HIGH

Incomparable Data Sheds Light on Off- and On-Premise Channel Changes at the Product Segment and Channel Level – Nationally and in U.S. Divisions

WASHINGTON, D.C., 04/04/2022 – Wine & Spirits Wholesalers of America’s (WSWA’s) SipSource released today the latest set of Channel Shifting Index (CSI) data that provides wine and spirits professionals access to channel performance data for wine and spirits categories/segments, price tiers, and U.S. regions that are easy to understand and relevant to successfully navigate the current 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 a national and U.S. Census division level.



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





The Latest SipSource CSI Tells Us:

The combined wine and spirits CSI for on-premise reached a new high of 85.3 for the 12 months ending February 2022, a two point improvement versus the 83.0 CSI for the 12 months ending January 2022, with gains for both wine and spirits.

“With consumers becoming more comfortable going out, the on-premise CSI improved further from the prior month’s index, though is still lagging where it was pre-COVID,” said Danny Brager, SipSource analyst and industry veteran.

Going deeper, wine’s state of recovery (CSI of 80) remains well behind that of spirits (CSI of 88).

Brager added, “We would expect to see further on-premise share improvements as COVID cases decline and restrictions fall, along with warmer weather just around the corner. At the same time, some consumer behaviors like where they choose to eat and drink might persist, benefiting off-premise. So it’s still a hill to climb for on-premise to get back to pre-COVID levels.”

Regionally, the pace of recovery still differs across the country, with the on-premise CSI for South Central and South Atlantic generally leading other geographic areas.

Product Segments:

Relative to its on-premise share pre-COVID, recovery of this channel’s share has been fastest, and slowest, for the product segments below. Rate of share recovery though, even when lagging where it was pre-COVID, is not necessarily a problem – in some cases (Irish Whiskey and Rye for example) the segment has grown extremely well in the off-premise during COVID, so COVID may have just shifted the on- versus off-premise channel balance.

ON-PREMISE CSI: SHARE 12 MONTHS ENDING FEBRUARY 2022 INDEXED TO 12 MONTHS ENDING FEBRUARY 2020

ON-PREMISE CSI - SPIRITS (segments with a minimum pre-COVID on-premise share of 10%)	FASTEST RECOVERY (CSI 95+)	SLOWEST RECOVERY (CSI<80)
		Rum
	Flavored Vodka	Scotch
		Bourbon; Rye; Flavored Whiskey
ON-PREMISE CSI – WINE (segments with a minimum pre-COVID on-premise share of 10%)	FASTEST RECOVERY (CSI 90+)	SLOWEST RECOVERY (CSI<75)
	Cava	Sherry
		Malbec
		Sauv Blanc; White Blends



Beyond those segments above, ready-to-drink (RTD) cocktails is the single category where the on-premise is **hugely more** important now than it was pre-COVID (its on-premise CSI is now over 160) as a result of its rise in consumer popularity, its convenience to operators, and drinks-to-go legalization in several states. At the same time though, RTD spirit cocktails volume is still largely off-premise, as the latter still accounts for 93% of its volume.

Sub-Channels:

The CSI for the various on-premise sub-channels largely improved, but the gap between spirits and wine on-premise CSI levels are large in some cases. The CSI gap is 7 points in the Dining/Restaurant channel, which is especially important for wine (84 vs 91), and while less important in size, the Lodging gap is even larger (19 points).

**CURRENT ON-PREMISE SHARE (12 MONTHS to FEBRUARY 2022)
INDEXED TO PRE-COVID (12 MONTHS to FEBRUARY 2020) = 100**

		Spirits	Wine
	Total On Premise	88	80
IN ORDER OF SUB-CHANNEL IMPORTANCE	Dining/Restaurants	91	84
	Bars/Nightclubs	89	86
	Recreation	89	78
	Lodging	79	60
	Transportation	39	43

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 referenced has a greater share of the market than it had pre-COVID; an index less than 100 indicates that the channel has a smaller share of the market than it had pre-COVID. In particular, on-premise business was devastated during the height of the pandemic and is now in various stages of recovery. But wine and spirits are not recovering equally—nor are the segments within each category, the regions within the country, or the various trade sub-channels.

This data will enable you and your teams to answer the unknowns 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@WSWA.org.



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

About SipSource by WSWA

Wine & Spirits Wholesalers of America's (WSWA's) SipSource 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. 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.

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