

Consumers “Drinking Out” Less, “Drinking In” More



- The economic downturn has wreaked havoc on the on-premise channel as consumers stay in and entertain at home more often
- While many consumers are eating (and drinking) out less, many others are trading down to fast casual or quick service restaurants where alcoholic beverages are non-existent or limited
- Given the importance of the holiday season to restaurants and bars, on-premise outlets will build customer loyalty programs to drive repeat business
- Grocery stores are targeting restaurants with well-priced easy meal solutions, and increased promotional efforts
- Expect to see a continued increase in online shopping especially for wine. Even Amazon will be offering wines online, a further indication of potential opportunities within the “direct to consumer” channel
- With exchange rates unfavorable to the dollar, imports have been forced to raise prices, making it more difficult for these products to compete with domestics
- Suppliers will build on the past success of seasonal beers with new releases for 2008.
- Expect a larger than normal upturn in gift purchasing of wines and spirits, the latter supported by value added “bonus” packaging