Wine Business Solutions

Wine On-Premise

USA 2024

The primary purpose of the On-Premise distribution effort is to attain listings. That is what Wine Business Solutions' Wine On-Premise research measures. This is the ninth consecutive year that we have undertaken this research in the US, giving us a total database comprising nearly 340,000 individual listings taken at random from independent, non-chain owned, On-Premise outlets' wine lists across all US states.

We examine who the best importers and other primary suppliers are, what the most listed wine brands and styles are, the performance of supplier countries, states and regions, what restaurants charge for wines listed by-the-bottle and by-the-glass as well as how much wine business owners, importers and distributors can expect to make from On-Premise sales. We do this both nationally and on a market-by-market basis.

Why are On-Premise listings so important?

- People buy what they try.
- It enables your wine to be seen and consumed in the best possible surroundings.
- It's a chance for you to be remembered, recommended and bought again, later.
- It's one of the only true 'brand building' opportunities many wineries have outside the tasting room.

About the Sample

This survey covers the full range of possible On-Premise wine consumption occasions including suburban restaurants, fine dining establishments, hotels, bars and clubs. The sample is drawn completely at random but in proportion to each states' wine consumption. Our objective is to accurately reflect what the consumer sees when presented with a wine list in any type of On-Premise outlet anywhere in the US.

At a minimum, we require 99% confidence that we have less than 1% error when asking the most important questions. We achieve that with a sample of this size when we are discussing gross numbers such as national distribution, price points and wine styles. Naturally, when we start breaking the database down into ever smaller segments (e.g. when analysing less populous regions or smaller wine categories), we lose some of this accuracy. We are, therefore, careful not to claim any insight beyond what reliable data confirms.

We now have 16 years of experience collecting data, about On-Premise listings, taken using this consistent methodology across other markets including Australia, the UK, Canada, Germany, China and Hong Kong, New Zealand and South Africa, as well as our 9 years of data from doing the same in the US.

We can therefore quickly identify, correct and/or seek to explain anomalies.

Figure 1 – Composition of Sample / Share of Listings Used Based on Consumption

Region	State	Share	Region	State	Share
California	California	15%	The Atlantic NE	Massachusetts	4%
				New Hampshire	1%
The Tri States	New York	7%		Rhode Island	0.5%
	New Jersey	4%		Maine	0.5%
	Connecticut	2%			6%
		13%			
			The Pacific NW	Washington	3%
Florida	Florida	9%		Oregon	2%
					5%
The Capital Area	Virginia	3%			
	North Carolina	2%	The Best of the West	Arizona	2%
	Maryland	2%		Colorado	2%
	District of Columbia	1%		Nevada	1%
		8%			5%
Texas	Texas	6%	Pennsylvania	Pennsylvania	3%
The Great Lakes	Illinois	4%	The Rest	Hawaii	0.6%
	Ohio	3%		Iowa	0.5%
	Michigan	3%		New Mexico	0.5%
	Wisconsin	2%		Delaware	0.4%
	Minnesota	1%		Idaho	0.4%
	Indiana	1%		Utah	0.4%
		14%		Arkansas	0.4%
				Mississippi	0.4%
The South	Georgia	2%		Kansas	0.4%
	Missouri	1%		Vermont	0.3%
	Tennessee	1%		Nebraska	0.3%
	Louisiana	1%		Montana	0.3%
	South Carolina	1%		Alaska	0.2%
	Alabama	1%		South Dakota	0.2%
	Kentucky	1%		Wyoming	0.1%
	Oklahoma	1%		West Virginia	0.1%
		9%		North Dakota	0.1%
					6%

We then divide the US Market up into 12 regions, not based upon common legislation, which of course is different in every state, but on size and 'serviceability' based upon common attributes and proximity.

We reasoned that with 50 states to consider, most businesses would be at a loss to know where to begin, let alone where to focus. With limited time and resources and, in many cases, limited supply, choosing where to start and how to proceed in a market this size is critical. Assisting this process is a key aim of this report.

The US restaurant industry is today worth more than one $US trillion, 20% more than it was in early 2022, according to the National Restaurant Association.

15.7 million people are employed in the industry, 200,000 more than at the end of 2023.

Total consumer spending, including domestic and imported wine, rose to $107 billion to the end of 2023 according to Gomberg Fredrickson. That's 46% more than in 2018.

On-Premise spending increased just 1% during the last 12 months according to Nielsen CGA to $14.8 billion. According to a range of sources, the total value of wine sales in the US market dropped by between 1-4% in the year to the end of 2023.

Beverage Information Group claims that approximately 19% of wine sales by volume occur in the US On-Premise equating to 85 million cases annually. 19% is the same number for the UK and Australia, showing how strongly wine-drinking culture affects consumption patterns.

Having said that, US consumption per capita remains stubbornly low at under 12 litres a head, less than half what the British drink and a quarter of what the French consume.

So, whilst the industry can be said to be in a depressed state with high inventory levels, dropping total demand, fierce competition from other categories, and the rise of moderation / abstinence, the US On-Premise remains strong and a key channel for anyone looking to build a globally recognised wine brand.

The big question, in the end, is how best to address this most important of markets for fine wine producers?

Who are the best importers and primary suppliers *(note - we define 'primary suppliers' as businesses that sell to wholesaler distributors including US wineries themselves, sales office of international companies, specialist sales and marketing companies as well as those classic traditional importers*), which are the best business models and paths to market, what are the most popular wines styles, which regions are having the most success and how much money is there to be made from On-Premise sales?

That is the focus of this report.

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