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Bars and Restaurants Outpace Retailers in the U.S. Alcohol Market

Wholesalers said May trends stabilized before summer, but weak store demand continued to weigh on wine and spirits sales.

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The U.S. wine and spirits market showed little overall change in May, but wholesalers said the latest data points to a clearer split between bars and restaurants, which continue to hold up better, and retail stores, where demand remains weaker.

That picture comes from the Wine & Spirits Wholesalers of America’s SipSource market update released Tuesday in Washington. The group said rolling 12-month depletion trends, a measure closely watched by suppliers and distributors because it tracks product shipped out of wholesalers’ warehouses, were largely unchanged from April even though May had one fewer shipping day than the same month a year earlier. The market remains in negative territory, but the lack of a sharper decline suggests a more stable operating environment as the industry moves into the summer selling season.

WSWA said on-premise sales, meaning bars and restaurants, continued to outperform off-premise channels such as liquor stores, supermarkets and other retail outlets. Over the latest 12-month period, spirits volume trends in on-premise ran 340 basis points ahead of off-premise. For wine, the gap was wider at 660 basis points. The data indicates that consumers are still spending on social occasions and experiences even as take-home purchases remain under pressure.

That divide matters across the beverage business because most alcohol volume in the United States is still sold through off-premise channels. If retail demand does not improve, producers, importers and distributors may continue to adjust inventories, pricing and channel strategy even if restaurant and bar traffic stays relatively firm.

WSWA said distribution trends also showed signs of stabilizing. Points of Distribution, or PODs, remained negative for both spirits and wine, meaning products were still losing placements on shelves and back bars, but the pace of contraction eased from a year earlier. Spirits POD trends stood at -2.4%, an improvement of 100 basis points from May 2025. Wine PODs improved by 30 basis points year over year to -3.9%.

Those figures suggest that assortment cuts by suppliers and selective shelf-space decisions by retailers are still shaping the market, but perhaps less aggressively than they were a year ago. For wine in particular, the improvement in PODs stood out in a month when broader off-premise conditions remained soft.

The group described the outlook for summer with cautious optimism. June has one additional shipping day compared with June 2025, which could modestly lift reported depletion trends. Seasonal demand may also help bars and restaurants during warmer weather, when outdoor dining, travel and social gatherings typically support alcohol

sales. WSWA also pointed to FIFA World Cup activity as a possible source of added traffic for hospitality venues.

Still, the trade group said any broader recovery will depend on stronger off-premise demand. That is where most beverage alcohol volume is sold, and continued weakness there limits how much gains in restaurants and bars can change the overall market picture.

Within categories, some segments continued to perform better than others. Bourbon showed gradual improvement, with revenue down just -1.4% over the latest three-month period. Tequila Reposado softened in May after gains in March and April, making it one of the segments to watch through the summer.

In wine, Sauvignon Blanc remained one of the stronger performers, posting 2.6% revenue growth over the past three months. Pinot Noir lost momentum after two stronger months. Sparkling wines stayed resilient in May, with Prosecco and Champagne both recording solid sales.

WSWA also said premium wine categories continued to benefit from consumer interest in quality and variety, even as inflation and changing shopping habits weighed on off-premise purchases more broadly. The group said wholesalers and retailers are responding by focusing on marketing, innovation and products aimed at younger adult consumers.

The May update suggests that the industry is entering summer with steadier trend lines than earlier in the year, but not yet with broad-based growth. For now, bars and restaurants are carrying more of the momentum while retailers remain the weaker link in the chain.