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Global on-trade alcohol market rebounds as consumers return to bars and restaurants

New data shows rising consumption in key countries with millennials driving premium category growth in the United States

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The global on-trade beverage alcohol market is showing signs of recovery after years of disruption caused by the COVID-19 pandemic, inflation, and shifts in consumer behavior. According to new data from IWSR, a leading source of beverage alcohol market intelligence, consumption in bars and restaurants is increasing across several key markets. This trend is seen as essential to the overall rebound of total beverage alcohol (TBA) volumes worldwide.

IWSR's Bevtrac consumer research, conducted in September 2024, shows that more consumers are returning to on-premise drinking occasions. In China, for example, 64% of respondents said their last alcoholic drink was consumed in a bar or restaurant, up from 58% a year earlier. Similar increases were recorded in the United States (from 31% to 34%), the United Kingdom (35% to 40%), Mexico (34% to 40%), Italy (43% to 48%), Germany (27% to 33%), and Canada (19% to 24%).

Richard Halstead, COO of Consulting & Consumer Insights at IWSR, noted that Millennials in the U.S. are particularly driving this trend. "As their financial situations improve, they are spending more on premium categories like whiskies and sparkling wine," he said. He also pointed out that while moderation remains a factor in both off-trade and on-trade consumption, people tend to spend more and try new products when they go out.

Despite these positive signs, understanding the size and value of the on-trade channel remains difficult due to inconsistent data sources and fragmented reporting across markets. Xian Wang, Chief Product Officer at IWSR, explained that local data often comes from wholesalers or distributors using different methodologies, making it hard to compare markets or make informed decisions.

To address this gap, IWSR is launching a new on-trade value data product in May 2025. This tool will provide detailed insights into consumer spending in bars and restaurants across the top 20 global markets—including China, the U.S., Brazil, Japan, Germany, India, France, Mexico, Italy, Canada, Australia, Spain, South Africa and Taiwan—plus five additional countries: Poland, South Korea, Thailand, the Netherlands and Colombia.

The new product complements IWSR’s existing Global Database On-trade Volume data by adding sell-out value metrics. These are calculated using price multipliers derived from menu captures at various types of venues—categorized by price level and location (urban vs rural). This approach allows for a more accurate picture of how much consumers are spending on different beverage categories in different settings.

According to IWSR, this new data will help brand owners identify which categories are growing in which markets and at what price points. It will also support decisions about product assortment and marketing strategies tailored to specific venue types.

Case studies included in the report highlight how this data can be used. For example, agave spirits show strong performance in premium and super-premium segments in Australia and France but have broader appeal across all price tiers in the UK. In Brazil and Poland, agave spirits are mostly positioned in the premium tier.

In the UK’s on-trade market for sparkling wine, most sales occur at super-premium price points through mid-range bars and restaurants. In contrast, France sees equal value distribution between standard and super-premium segments.

In Brazil’s on-trade market for spirits, cachaça still dominates in terms of value but is declining. Whisky is gaining ground as consumers shift preferences. Premium whisky offers the largest growth opportunity there, although standard and value tiers also contribute significantly.

With this new toolset from IWSR set to launch next year, industry players will have access to more reliable data for navigating an increasingly complex but promising global on-trade landscape.