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Wine retail aisles reflect new consumer trends

Producers and retailers adopt new strategies to respond to evolving consumer expectations and market volatility

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The Food Channel, which comprises supermarkets, specialty retailers, and other physical stores where consumers purchase wine for at-home consumption, faced a year of unprecedented transformation in 2024. As global wine consumption fell to its lowest levels in more than six decades, the Food Channel found itself at the center of a new market dynamic: a contraction in volume paired with resilient, even record, average

prices. This development exposed a fundamental decoupling of volume and value within the sector, and signaled that the shifts underway are structural, not simply cyclical.

The cause of this change in the Food Channel is rooted in two primary developments. Persistent global inflation has eroded consumer purchasing power, making wine less accessible for regular consumption and pushing shoppers to become more discerning. Simultaneously, cultural changes—particularly among younger consumers—are driving a trend toward health, wellness, and moderation, further shrinking the traditional wine-drinking base. These forces have been compounded by competition from new beverage categories, such as ready-to-drink products, craft spirits, and a growing array of no- and low-alcohol options, all vying for shelf space and consumer attention within the retail environment.

Major retail markets in the United States, France, and the United Kingdom, which collectively make up the largest share of global wine sales, have registered significant declines in volume sales within the Food Channel. U.S. wine consumption through retail channels dropped an estimated 5.3% in volume according to NielsenIQ, while French supermarket wine sales fell 4.9% by volume in the year through November 2024. In the UK, while overall import volume saw some stabilization, value at retail fell as consumers shifted to lower-priced options and importers sought bulk wine to offset rising costs.

In parallel with this volume contraction, consumer preferences in the Food Channel have shifted notably. There is a clear and accelerating move away from red wines toward white and rosé, a phenomenon industry analysts have labeled the "Great Color Shift." In the U.S., white wine now claims more than 52% of the retail market share by volume. This change is driven by a preference for lighter, more refreshing styles suited to casual, non-meal occasions, and is amplified by the lower average price of white wines compared to reds, as well as their association with lower alcohol content.

Another defining trend in the Food Channel is the so-called "premiumization paradox." While total sales volumes decline, value at the higher end of the market remains strong. Wines priced over $20 per bottle have outperformed lower-priced segments,

reflecting a consumer base that increasingly opts for "less but better"—purchasing fewer bottles but of higher quality or perceived value. At the same time, the value end of the market, including private labels, continues to attract price-sensitive buyers. The result is a polarization in the retail wine aisle, with mid-market wines—those lacking a clear value or premium proposition—facing steep declines in both shelf space and sales.

Retailers and producers are responding to these pressures with a mix of adaptation and innovation. Shelf space is being reallocated to accommodate growing categories such as white and rosé wines, as well as premium and value options at the expense of the traditional mid-market reds. Packaging innovation, including a move toward premium boxed wine and canned formats, is targeting convenience and new occasions for consumption, especially among younger shoppers. Sustainability has also emerged as a key differentiator, with consumers in the Food Channel increasingly seeking out brands that communicate environmental responsibility through packaging and production practices.

The Food Channel's response to the global wine market's new equilibrium is further complicated by regional differences. In Germany, discounters like Aldi and Lidl continue to dominate with low prices, and non-alcoholic wine is emerging as a significant growth segment. In France, the resilience of white wine sales stands in stark contrast to the sharp decline in red, even among prestigious appellations. The UK market is characterized by its strong private-label presence and rapid growth in categories such as premium rosé and English sparkling wine.

Despite these challenges, the Food Channel remains the linchpin of the global wine industry, accounting for nearly 80% of total sales by volume. Its aisles reflect the new realities of wine consumption—lower volumes, higher average prices, a dramatic color shift, and a fragmented consumer base seeking both value and experience. Producers, importers, and retailers who adapt to these trends through targeted portfolio management, clear price-tier strategies, and compelling in-store communication will be best positioned to navigate the market's volatility and capture emerging opportunities. The next chapter for wine in the Food Channel will be defined by those who are able to balance the demands of value, innovation, and authenticity in a fundamentally

reshaped retail landscape.