IWSR
drinks market analysis

2024 Methodology and Definitions

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Methodology

IWSR is the industry standard for tracking brand, market and category performance globally, with a database used by every international drinks company to follow market trends, both for competitive analysis and strategy and planning. IWSR has the widest industry buy-in of any research company, with more companies not only using our database but also sharing their data. This means that our clients can be confident that they are looking at the same figures as their peers.

IWSR is the only research company to interview the key players (importers, producers, distributors, retailers, Duty-Free operators) in around 160 countries globally each year. This builds a far better understanding of the dynamics of a market, and helps us to explain why certain trends occur and to adjust official statistics to match reality. It also allows us to cross-check other companies' claims, as local experts have a much better grasp of what is actually being sold, rather than shipped, in each country. Furthermore, in certain markets, by interviewing industry insiders, IWSR is able to reveal what may not be in official reports, but that is significantly impacting the market, such as grey market operators.

Our database enables users to see the major importers/distributors and their portfolios.

Retail Value

Value data in our database is calculated from the bottom up as follows:
[brand line] retail sales price (RSP) x [brand line] volume.

For May 2024, we are rolling out Phase 1 of our Value Data Enhancement project on the key 27* markets. This includes a more accurate annual average price, as covered in the Pricing Data section below. This improved methodology also keeps the full value data set longitudinal, ensuring that value trends can be analysed back over time, while improving quality and accuracy.

For the remainder of the 160 markets in IWSR's offering, we have continued our current pricing process with additional quality checks and benchmarking for all categories.

Notes:

- *We collect off-premise price (RSP) only, which is applied to total volumes (all channels). This is because on-trade pricing is very difficult to measure accurately and, by using the off-trade prices, we have a consistent read that is more transparent to clients. In addition, the off-trade price is a reasonable proxy for the sell-in price to on-trade outlets.*
- *This means that IWSR retail value understates total consumer expenditures, since it is in effect missing the on-trade outlet margin. IWSR offers on-premise pricing for certain countries as custom research.*
- *We also have a 'net of tax value' database. Using data on taxes and duties on alcoholic beverages for each country, we deduct this from the retail value data. This database therefore shows brands without the distortion of widely varying tax rates, allowing effective comparison across markets.*

Pricing Data

In Phase 1 of our Value Data Enhancement project, for the top 27* markets across spirits and Champagne, we have improved the methodology used to generate the annual average price. In addition to our usual research, we also conduct monthly price checks for the top 50% of brands by volume for each sub-category and price segment. We use this for calibration and to adjust for the effects of price movement and inflation in these markets across all brand lines.

The pricing data in the reports is based on store checks conducted in each of the countries visited by our researchers; they are usually taken from the largest supermarkets. In a large consumer country, they are conducted across three to five stores, usually super- or hypermarkets, as well as a specialist store. In smaller consumer countries, they are likely to be taken from between one and three stores. In countries where ecommerce is widespread, store checks may be conducted via key online retailer websites. For 2020 prices, where market visits were not possible, prices were researched from local ecommerce sites.

Wherever possible, the same stores/websites are visited at roughly the same time each year to give some degree of consistency. The prices given in the report reflect the annual average for a brand, excluding promotional pricing. No pricing information is available for any on-premise sector, due to the very wide range of prices, as well as the difficulties involved in measuring this.

Phase 2 of the Value Data Enhancement project is underway for 2025 and will deliver further improvements in accuracy and quality. This will include more frequent and in-depth price checks across stores and ecommerce for our full TBA offering, and expansion beyond the top 27* markets.

Notes:

- *Prices in reports are given in local currency. Via theiwsr.com, these can be converted into US dollars or euros. The bottle sizes to which they refer are shown in centilitres (cl) alongside the price.*
- *In Venezuela, the local currency used for retail prices in 2019 is the US dollar, as the economy unofficially switched to the dollar following years of hyperinflation. For Lebanon, from 2023 we have switched the currency used to USD, due to dollarisation in the country as a result of deteriorating consumer trust in the local currency.*
- *These price checks allow us to calculate the retail value. Estimations are made for the price of 'others'.*

**Australia, Belgium and Luxembourg, Brazil, Canada, Chile, China, Colombia, Czech Republic, France, Germany, India, Italy, Japan, Mexico, Netherlands, Nigeria, Philippines, Poland, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, UK, US.*

Price Bands

Note *In the 2024 Global Database release, price-band segmentation has been updated for most countries to account for price changes, inflation, taxation and other local factors (for full details, see Release Notes).*

Price-Band Segmentation for Spirits

The global spirits pricing segmentation methodology is based on the following:

- Retail selling price (RSP) for the latest report year, without discount or promotions applied – we call this the 'base price'. These are collected online and in-store by our pricing team and checked by our local market experts.
- A completely objective methodology that uses a selection of international brands (drawn from all spirits categories to provide a structure for the classification) to define the price-band limits.
- Price bands are consistent across all categories, and are designed to be easy to explain to and be understood by internal stakeholders.
- Each brand line is treated individually in the context of every country. Consequently, brand lines can have different price bands in different countries.

IWSR's price-band segmentation is not a reflection of a brand's quality. Our price-band segmentations are defined as:

- Prestige Plus
- Prestige
- Ultra-Premium
- Super-Premium
- Premium
- Standard
- Value
- Low Price

Price-Band Segmentation for Wine

The price segmentation methodology for wine is the same as for spirits; universal benchmark brands are not used, as these are less relevant for the wine industry. We do however monitor key international brands to inform price-band decisions.

Price-Band Segmentation for Beer and Cider

The price-band methodology for beer and cider uses cluster analysis to identify groups of prices and logical gaps. Price bands are generated with RSPs from the latest reported year. The four price bands are:

- Super-Premium
- Premium
- Standard
- Value

Universal benchmark brands are not used, but international brands are monitored to inform price-band decisions. Unlike spirits and wine, only four price bands are used for beer and cider due to the lower price variance between the highest and lowest bands. Price-band data is available back to 2010 for beer and cider.

Net Tax

The purpose of our net tax data set is to show data that better represents value of beverage alcohol to the producer and/or seller, by removing the proportion of retail price that is directed to tax. The collection of net tax data began in 2013.

VAT/sales tax, excise duty on alcohol and import tariffs (on imported goods) are the main additions to price and value. In some markets there are additional other taxes that apply, such as port fees and special taxes applied to certain products, which are also accounted for where relevant.

IWSR data without tax is calculated by establishing the rates for these taxes/duties as applied to each beverage-alcohol category in each market. These rates are used to calculate the proportion of retail value for each brand that is accounted for as tax, and removing that from the retail price attributed to each brand in the database. This leaves a value figure that has been stripped of the proportion lost to tax.

The RTD category is not covered in the net tax data set due to the diverse nature of the category. Standard tax rates for products falling within IWSR's RTD category are not often specified. Tax rates often vary within the category and in most markets, taxes are calculated according to the alcohol base.

Forecast

IWSR 2024 Forecast Assumptions

Geopolitical Factors

As well as the global impact of the war in Ukraine and the Middle East on energy and commodity prices, we also factor in the following:

- Potential consumer boycotts of Russian products that are likely to affect Russian brands, including Russian-sounding brands, or even the vodka category as a whole.
- Disruption to Russian and Ukrainian outbound tourism, affecting markets such as Turkey and Cyprus.
- The impact of the Israel-Hamas war on consumption in Israel and the surrounding region.

Inflation and Cost-of-Living Crisis

- In each market, we consider how inflation will impact consumers' disposable incomes, and what effect this will have on premiumisation vs down-trading, as well as on channel trends.
- Inflation tends to affect low-price/value brands the most, as consumers in those price segments are most sensitive to price rises. In higher-income countries, standard and particularly premium-and-above products are generally more insulated from inflationary pressures.
- IWSR has undertaken extensive data modelling to determine the sensitivity of beverage-alcohol consumption (in volume terms) to changes in inflation and GDP, plus considered these findings when determining individual country/category forecasts.

Inventory Levels

- As a result of the Covid-19 supply shock, in many markets and categories (predominantly spirits and wines), inventories have been built up to higher levels than normal. These stocks are believed to be held throughout the distribution chain, from distributors/wholesalers, through to retailers and even into consumer pantry-loading.
- As IWSR uses depletions as the closest proxy to consumption, we have taken into account these residual excess inventories when building our forecasts for 2024 and onwards, depending on the estimated stock levels.

Tourism

- In countries with high numbers of incoming/outgoing tourists, any shifts in the nature of tourism will impact beverage alcohol consumption; we also factor in any swings between domestic Duty Paid and Duty-Free sales.

Forecast Methodology, Domestic Markets – May 2024 Release

(For Travel Retail forecast methodology, please see separate Travel Retail document)

IWSR's forecast methodology for FY 2024–28 for major markets uses a model that incorporates channel splits and seasonality by category, sub-category and price band.

- Historical data, including 2023 confirmed FY figures, is used as the base.
- We assess 'normal' seasonality between the on-premise and take-home sector, by month and by category (to surface seasonal hotspots).
- We consider the likely impact of inflation and the rising cost of living on the on- and off-trade (B&M and ecommerce), whether or not coinciding with seasonal hotspots.
- We also consider the sensitivity of beverage alcohol consumption to changes in inflation and GDP, determined through data modelling (multivariate analysis).
- Consumer read: we analyse the latest consumer data (Q1 2024) by category/sub-category and price segment, for an indication of latest market trends.
- This is then cross-checked and calibrated with Q1 2024 indications from brand owners, earnings results and other input information, and a FY 2024 forecast constructed.
- The 2025–28 annual assessment is done at sub-category and price-band level, based on: specific category/price band drivers; the inflation/GDP outlook by market; plus other supply-chain, geopolitical or macro-economic factors as given above.
- Minor market forecasts essentially use the same framework and logic, but are built up at a less granular level.

Value Forecasts

Value forecasts are driven from the volume forecasts, with a weighted average price per litre applied per category and price band. The price per litre is fixed at the current year rate, for all future years. This enables clients to clearly see the impact on a category of changes in volume by price band – premiumisation vs down-trading.

Therefore, we have not added inflation to the value forecasts by way of a CPI multiplier. However, as stated in the Assumptions section, the impact of inflation on consumption volumes has been taken into account in our forecasts.

Why We Conduct Local Research

- It is essential in most countries to supplement and improve existing official figures and PR claims, and to refine central company shipment figures when given.
- In every country, we use any official/quasi-official statistical sources available, although these need refining to provide the detail required.
- Import statistics, as well as exporting country/trade body statistics, such as those of the SWA (Scotch Whisky Association) or CIVC (Comité Interprofessionnel du vin de Champagne), invariably do not match actual local consumption due to onward shipments, inclusion of Duty-Free, redirected goods in transit, or parallels/contraband coming into the market, as well as stocks remaining in the trade.

Copies of country reports are sent to the companies we interview. This has led to many using the report locally and, as a result, providing feedback to improve each country report. This has helped to correct errors, as well as ensure continued co-operation in compiling the reports.

Demographic Data

- Per capita consumption is based on population data from the US Census.
- Unemployment data (used in the creation of forecast reports) is sourced from the International Monetary Fund (IMF).

Exchange Rates

Exchange rates are based on the annual average rate for each year, sourced from the UK's HM Revenue & Customs.

The one exception to this is Venezuela where price and value historic trends are volatile due to hyperinflation and the political and economic crisis. We have, therefore, applied unofficial (black market) exchange rates for 2011–18 instead of the official rates. 2019 prices are in US dollars as the economy unofficially switched to the dollar.

For Argentina, please note that we use the official US dollar/peso rate but, due to currency controls and a high local inflation rate, this means the US dollar price and value data for Argentina appears over-inflated. For Lebanon, from 2023 we have switched the currency used to US dollars, due to dollarisation in the country as consumer trust in the local currency has deteriorated.

In Sub-Saharan Africa, local currencies are used in all countries.

It is also possible to use the 2023 exchange rates for all years by selecting 'Use fixed exchange rates' from the settings options in the online database.

Dry Countries

This comprises a set of countries in which alcohol consumption is prohibited. Currently, the list is: Afghanistan, Iran, Kuwait, Pakistan, and Saudi Arabia. In some of these countries, some alcohol is still sold through tourist, military and diplomatic channels. All on-premise data in the database is therefore allocated as 100% off-premise.

IWSR Definitions

Consumption

IWSR tries to measure actual consumption in all countries – not shipments, imports or production.

In most cases, this means sales into the trade (depletions). All figures, official or otherwise, are adjusted where known stock, parallel, contraband or re-export issues occur.

As an example, the figures in our report on Paraguay are considerably lower than widely available import figures suggest. While we do use these figures, we only use them as a building block to arrive at Paraguayan consumption – after having taken into account the volumes at both brand and category level that are re-exported to Brazil and elsewhere. In turn, the Brazilian consumption figures use not only locally available figures, but also figures ex-Paraguay, among other sources (Uruguay, Duty-Free arrivals, etc). Please contact us where individual problems occur in reconciling your market data with ours.

Units

All volume data for wine, spirits and RTDs is given in thousands of nine-litre cases (000s 9LC) in reports; for beer and cider, volumes are given in 000s hL. In the online database, these can be converted easily into other units of measurement.

Per Capita Data

Our online platform allows users to calculate per capita consumption, based on both entire population and population of legal drinking age (LDA).

Historical Data

The data available on IWSR's online platform starts in 1990 for most countries, otherwise data starts when countries came into existence or opened up to imports. Pre-1990 data is available for around 40 of the largest countries. If you require older information, please be aware that much of this data is not directly comparable with current data due to changes of methodology.

For value data, please note that this starts from the following years:

- **2000** Spirits
- **2000** RTDs
- **2000** Sparkling/all 'other' wine
- **2005** Still wine
- **2010** Beer and cider

For Sub-Saharan Africa, there are a number of historic step changes in data owing to the staggered development of our data in the region:

- **1991** Beer data added for South Africa.
- **2007** Sub-Saharan Africa report started (including 21 markets).
- **2012** Sub-Saharan Africa report expanded to include Namibia.
- **2014** Sub-Saharan Africa report expanded to include Botswana.
- **2019** Sub-Saharan Africa report expanded to include Zambia.

Country of Origin

All brands have a country of origin, which is where the brand is produced. Brands that are produced in more than one country are shown as 'international' (see definition below). **Please note that where a brand has been produced in more than one country historically and production has subsequently been consolidated into a single country, this indicator will continue to show as 'international'**.

For rums that are a blend of product from different countries, if the majority of production (ie, distillation, blending, ageing) is carried out in one market, this is taken to be the country of origin (for example, Božkov rum is a blend of product from Nicaragua, Dominican Republic, Barbados and Jamaica, but is produced in the Czech Republic, so this is recorded as the country of origin for the brand).

We apply this convention to avoid overloading the database with duplicate brand lines and to continue reflecting the historic situation of the market.

Forecasting by country of origin is only done when the relevant category is broken down by country of origin. If the category is not broken down by country of origin (all beer, cider and RTDs, and some categories within wine and spirits), then country of origin for all forecasts is assigned to 'international'.

Distributor

IWSR defines the distributor as the company that handles the distribution of each brand in any given market. In some cases, this is the brand owner; in others, it is a separate company. The exception is in the US, where a brand can have many different distributors due to the size and structure of the market, so in most cases, IWSR records the brand owner as the distributor in the US market.

The distributor assigned to a brand refers to the company handling the product at the point of data publication. Where a distributor is unknown, this is recorded in the database as 'No Distributor'.

International

To be considered an 'international' brand under IWSR's definition, a brand must:

- Sell in 30 countries or more. These 30 countries must include:
    - The United States;
    - At least three of the following European countries: France, Germany, Greece, Italy, the Netherlands, Poland, Spain, Sweden and the UK.
    - At least two countries from any two of the following regions: Asia-Pacific; CIS (includes Russia), Rest of Americas†; Rest of World‡; Travel Retail.

One brand is included in the list despite not selling in the US: Havana Club.

†Canada, Caribbean, South America.

‡Africa, Gulf, Middle East.

Local vs Imported

The origin of a wines and spirits beverage is defined as where the liquid comes from, not where it is bottled. Beer, where the liquid is produced abroad, but bottled, purchased/consumed in country, is considered local. The same applies to RTDs that are produced from imported bulk Scotch or Bourbon, for example, but are deemed to be local because much of the production is local (mixing, etc). Bulk-imported then locally bottled (for still wine, for example) is considered imported.

Where a brand is both imported and produced locally, the 'Local/Imported' attribute in the database indicates where the majority of volume originates from.

No/Low-Alcohol Products

The following no- and low-alcohol categories are included in the relevant major categories, from 2014 onwards:

- No-alcohol still wine; low-alcohol still wine.
- No-alcohol sparkling wine; low-alcohol sparkling wine.
- No-alcohol beer; low-alcohol beer.
- No-alcohol cider; low-alcohol cider.

Note: no-alcohol spirits are included under spirits as of 2019.

No- and low-alcohol product thresholds vary according to individual country legislation. In the IWSR database, in order to provide consistency, the no- and low-alcohol ABV brackets by category are defined as:

Category	No-Alcohol	Low-Alcohol
Still and Sparkling Wine	0.0% – 0.5% ABV	>0.5% – <7.5% ABV
Spirits/Spirit Alternatives – Liqueurs	0.0% – 0.5% ABV	>0.5% – <10.0% ABV
Spirits/Spirit Alternatives – Non-Liqueurs	0.0% – 0.5% ABV	>0.5% – <30% ABV
Beer	0.05 – 0.5% ABV	>0.5% – <3.5% ABV
Cider	0.0% – 0.5% ABV	>0.5% – <3.5% ABV
RTDs	0.05 – 0.5% ABV	>0.5% – <3.0% ABV

Specifically, by category, no- and low-alcohol products include:

- **Still and Sparkling Wine** De-alcoholised wine and reduced-alcohol wine products that are explicitly marketed on this basis. Includes no- and low-alcohol light aperitifs. 'Naturally low alcohol' wines such as Asti, Moscato, etc are now classified as low-alcohol.
- **Spirits** Distilled non-alcoholic spirits; reduced-alcohol spirits explicitly marketed on a low-alcohol/better-for-you platform. *(Note: flavoured vodka brands with 30% ABV have been moved from the Low Strength Flavoured Vodka sub-category to Flavoured Vodka and attributed as low-alcohol. Please see Vodka section below for detail).*
- **Beer** De-alcoholised beer; reduced-alcohol beers; clear malt beverages; opaque malt beverages; beer/fruit mixes such as Radlers. Caveat: Beers that are deemed mid-strength in Australia and sit at around 3.5% ABV are categorised as alcoholic by IWSR owing to local consumer perception.
- **Cider** De-alcoholised cider; reduced-alcohol cider (excludes apple juice).
- **RTDs** Products styled as alternatives to RTD mixed drinks (eg, gin-and-tonic flavoured beverages); reduced-alcohol RTD mixed drinks explicitly marketed on a low-alcohol/better-for-you platform; no-/low-alcohol RTD aperitifs.

In terms of product labelling, countries apply the 'non-alcoholic' descriptor differently. For example, in the UK, 'non-alcoholic' cannot legally be used in conjunction with a name commonly associated with an alcoholic drink; a non-alcoholic gin for instance must be labelled as 'non-alcoholic drink flavoured with juniper'. The word 'wine' cannot be used for a product with less than 8.0% ABV (UK and EU); instead, 'wine-based drink' must be used. (The only exception for non-alcoholic wine is where it is 'derived from unfermented grape juice and is intended exclusively for communion or sacramental use'). Low-alcohol descriptors cannot be used with spirit drinks under EU definitions.

Note: the IWSR database does not cover alcohol adjacent products, ie alcohol replacements marketed at adults, targeting typical alcohol consumption occasions and sold through customary alcohol channels. Alcohol adjacents include: no-alcohol malt beverages; no-alcohol wine replacements; alcohol-free kombucha; and no-alcohol nootropic and adaptogenic drinks, such as CBD beverages.

Ownership

'Owners' refers to the ultimate parent company. Changes are made to the database as soon as regulatory approval has been received for a merger/acquisition/disposal. Ownership is based on majority ownership (>50%) and reflects the position at the point when the data is released each year (end-May).

The ultimate parent company is the **corporate entity operating in the beverage alcohol or related industry**. If the ultimate holding company is a finance or investment house such as a private equity company, the parent company in the IWSR database is the **beverage alcohol (or related) industry entity** owned by the finance company.

- For example, the parent company of Whyte & Mackay is Emperador, the Philippines drinks business (not Alliance Global Group, the ultimate holding company, which is a conglomerate).
- The parent company of Loch Lomond, Glen Scotia and Littlemill is Loch Lomond Group and not Hillhouse Capital, its private equity investor.

Note: where it has not been possible to identify the owner of a brand, ownership is recorded as 'undefined' or 'unknown'. In the case of 'others' brand lines, ownership is shown as 'undefined' in the database.

Others Brand Lines

Depending on the market and the category, 'others' can refer to multiple smaller brands where we are unable to track individual brand volumes; private labels or tertiary brands; or direct-to-consumer (D2C) sales (from vineyards, for example), etc. We also use 'others' to make up known category totals, for example where we have reliable trade and in-market information.

The terminology 'Other Expressions' used in conjunction with a brand name (eg, Ballantine's Glenburgie Malt Other Expressions) represents a collection of smaller brand ('child') variants that fall below the IWSR volume threshold for entering into the database as individual brand lines.

Private Label

- A private-label product is manufactured by a contract or third-party manufacturer and sold under a retailer's brand name. The retailer specifies all the product parameters – ingredients, packaging, labelling – and pays to have it produced and delivered to the stores.

- The retailer brand can be the retailer's own name (eg, Tesco Gin) or a name created exclusively by that retailer (eg, Glen Orchy, the Lidl own-brand whisky). In some cases, a retailer may belong to a wholesale group that owns the brands that are available only to members of that group.

On/Off-Premise Definitions, Methodology and Notes

On/off splits for volume are available online via the IWSR database from 2015 onwards and are updated every year. Splits were initially given at brand-line level but, as of the 2020 data release, splits are available at price-segment level only, in order to provide a more reliable measure. The core source of this information remains meetings with local companies in markets.

Notes:

- Often this sort of information is not readily available in the interviews. In these cases, the generally perceived on/off split of the category is applied by IWSR.
- Often those interviewed quote percentages from other sources or provide very vague numbers based on generally perceived category splits.
- In the largest market of all, the US, very few companies think in terms of on/off at a country level, or, if they do, only in the vaguest way.
- There are some grey areas of definition. Very loosely, IWSR's numbers are based on point of purchase, not point of consumption. Different outlet types are classified as follows:

    - **On-premise** Bars/pubs, nightclubs, hotels, clubs, restaurants, outdoor venues/events.
    - **Off-premise** Hyper- and supermarkets, specialist stores, traditional retail, Cash & Carry (see below), discounters and online sales. Duty-Free/Travel Retail purchasing for domestic consumption is treated as off-premise.
    - Buying in off-trade outlets for on-premise consumption (at Cash & Carrys, discount stores, etc) is generally treated as off-premise as it is impossible to treat in any other way. However, we cannot be sure that all providers of information do so.
    - Ecommerce (see below).

Ecommerce

- Ecommerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. For alcoholic beverages, this covers the ordering of products online, with delivery direct to the consumer, or via collection from a designated point (usually a supermarket), described as Click & Collect.
- Currently, most alcoholic beverage ecommerce occurs in the off-premise channel, ie, consumers ordering for drinking at home. However, some sales by ecommerce are on-premise venues purchasing to sell in the on-premise, and it is also possible for consumers in the on-premise channel to make ecommerce transactions, for example by pre-ordering drinks via an app to drink later at a bar. Overall, on-premise sales by ecommerce are believed to be very small, so for the purposes of the data we assume all ecommerce to be off-trade.

The IWSR sub-divides ecommerce into the following channels:

- **Omnichannel** Digital turnover element of omnichannel operators (retailers with B&M sales at the forefront). Includes both home delivery and Click & Collect (as long as payment is made online). Retailers can be general grocers (eg, Tesco, Carrefour) or specialist beverage alcohol players (Majestic, Total Wine).
- **Online Specialists** Digital turnover element of retailers with a predominantly online presence. Can be general grocers (Ocado) or specialist beverage alcohol players (Master of Malt, Wine.com). Includes online subscription clubs (Naked Wines, Craft Gin Club).
- **Marketplaces** Digital turnover element of retailers that permit and/or facilitate selling by third parties. Includes sales by the retailers themselves and by third parties. Can be generalists (eg, Amazon, eBay, JD, Mercado Libre) or specialist beverage alcohol players (eg, Vivino).
- **On Demand** Operators acting as middleman between retailer and consumer to facilitate the online payment and delivery of goods. These do not typically hold stock or maintain their own warehouses. Can be generalists (Deliveroo, Rappi, Uber Eats, Glovo) or specialist beverage alcohol players (eg, Drizly).
- **Direct to Consumer (D2C)** Digital turnover element of direct-to-consumer sales by alcoholic drinks producers.

The following general points should also be noted:

- To count as ecommerce, the commercial transaction (payment) must take place online.
- While some retailers sell both directly and via other channels (such as marketplaces or on-demand), these sales are included only once, in the channel that ultimately serves the consumer.
- Implied or overt reselling (eg, auctions, C2C sales) that does not constitute real consumption is excluded.

Ecommerce Research Methodology

In order to be able to accurately size the ecommerce channel by alcoholic beverage category, and to capture the trends in this very dynamic part of the market, we blend a number of research methods:

- Retailer interviews are conducted by our experienced country researchers. These are supplemented by further in-market interviews with industry suppliers and distributors.
- For the top 10 markets, consumer research is undertaken by the IWSR using our trusted panel partner. The data is sourced from the results of a custom online survey conducted during Q3 2023 as part of our Ecommerce Strategic Study series.
- Trade interviews are conducted by our experienced market analysts, supplemented by further in-market interviews with drinks industry suppliers and distributors.
- Our team of analysts undertakes extensive additional research across a broad spectrum of publicly available sources, including published company reports, trade press and specialist ecommerce sources.
- This comprehensive range of sources is then analysed by our country experts to size the ecommerce channel in alcoholic beverages down to category and price-band level, and to determine both historic and future trends.

Ecommerce Values

- Ecommerce values are included for the major spirits, wine and beer categories (whisky, vodka, rum, still wine, sparkling wine, Champagne, etc). The ecommerce values for the most important ecommerce categories in each market are provided in local currency, euros, and US dollars. Less important categories are included in 'other spirits', 'other wine', etc.

Grey Market Definitions

Parallel Importing Where large margins between official supplier and distributor/retailer are undercut by a third party. Parallels pay local taxes in the country where they are bought and sold. Information on parallel imports is collected via local sources from in-country trade interviews.

Contraband/Smuggling Covers goods that pay no tax or duty on entering a country.

Carryback There are two types of carryback. The first is essentially Arrivals Duty-Free, where goods are bought in Duty-Free/travel retail outlets to be consumed or sold in domestic markets. This can be organised, or done by individuals. The second is cross-border shopping, such as the cross-Channel business and purchasing across borders in Scandinavia/Germany.

Country Liquor Also known as 'desi daaru' or IMIL (Indian Made Illegal Liquor), country liquor is native to the Indian countryside market. Products are regional, locally produced, unbranded, cheap and typically highly potent.

Leaks from Duty-Free Covers supply direct from a Duty-Free supplier back onto the local markets.

Product Definitions

Wine

Still Wine

Still wine is defined as wine that is made by the fermentation of grapes up to a strength of 15% ABV. Total market volumes are broken down by country of origin, but not by grape type or age. The markets are split by colour, and each country of origin by price point. Wine splits by colour are sourced from a combination of official statistics (export and local where relevant) and estimates based on local market consensus and feedback.

Organic Wine

Organic wine by volume is included for 2012 onwards.

The definition of an organic product is specific to the local market. The two most significant guidelines are the US and European Union (EU):

- **EU** A wine can be defined 'organic' when it is produced according to the Regulation of the European Commission (EC) No 203/2012, that is: (in the vineyard) produced from 'organic' grapes; (in the cellar) produced using only products and processes authorised by the Regulation (EC) No 203/2012. Until 2012, there were no EU rules or definition of 'organic wine'. Only grapes could be certified organic, and only the mention of "wine made from organic grapes" was allowed. In February 2012, new EU rules were agreed. The new regulation has identified oenological techniques and substances to be authorised for organic wine, including a maximum sulphite content (set at 100mg per litre for red wine and 150mg per litre for white/rosé).
- **US** Before wine can be sold as organic, both the growing of the grapes and their conversion to wine must be certified. This includes making sure grapes are grown without synthetic fertilisers and in a manner that protects the environment and preserves the soil. Other agricultural ingredients that go into the wine, such as yeast, also must be certified organic. Any non-agricultural ingredients must be specifically allowed on the National List of Allowed and Prohibited Substances and cannot exceed 5% of the total product. And, while wine naturally produces some sulphur dioxide (sulphites), they cannot be added to organic wine. Sulphites are commonly added to wines to stop the fermentation process or preserve the flavour profile.

Wine by Region and Varietal

These are the individual wine regions, relevant in export markets, that are identified by volume for 2014 onwards. Please note that within Old World country reports, there may be more regions included that are relevant to that particular country.

Old World

Alsace	France	Toscana	Italy
Beaujolais	France	Trentino, Alto Adige and Friuli	Italy
Bordeaux	France	Veneto	Italy
Burgundy	France	Dão, Bairrada and Douro	Portugal
Languedoc	France	Vinho Verde	Portugal
Loire	France	Cariñena	Spain
Provence	France	Catalunya	Spain
Rhône	France	Navarra	Spain
Mosel	Germany	Penedès	Spain
Pfalz	Germany	Rías Baixas	Spain
Rheinhessen	Germany	Ribera del Duero	Spain
Tokaj	Hungary	Rioja	Spain
Lazio	Italy	Rueda	Spain
Piemonte	Italy	Valdepeñas	Spain
Sicilia	Italy	Valencia	Spain

New World

The following wine varietals are identified at a global level for the key New World exporters (Argentina, Chile, Australia, New Zealand, South Africa and the US). Please note that, within New World country reports, there may be more varietals included that are relevant to that particular country.

Cabernet sauvignon	Pinot noir
Carménère	Pinotage
Chardonnay	Sauvignon blanc
Chenin blanc	Shiraz/syrah

Malbec	White grenache
Merlot	White zinfandel
Pinot gris/pinot grigio	

Sparkling Wine

Sparkling wine covers Champagne and other sparkling wine. All markets are broken down by country of origin, but not colour/grape type or age.

- **Champagne** The generic term referring only to sparkling wines from the Champagne region of France, made predominantly from pinot noir, pinot meunier and chardonny grapes.
- **Other Sparkling** Covers all wines not classed as Champagne, and would cover wines usually produced by one of the following methods:
  - **Traditional Method (Méthode Champenoise)** – where fermentation has taken place in the bottle.
  - **Transfer Method (Cuvée Close/Charmat)** – bulk fermentation, which is then subsequently bottled.
  - **Carbonated** – where still wine has had carbon dioxide (CO^2) added to make it sparkle. (Note: In some markets, such as Italy, where no clear statistics exist, some carbonated wine is included under still wine.)
  - **Semi-sparkling** – where wine has been bottled under lower pressure. In Italy 'slightly sparkling' wines are commonly known as 'frizzante'.

- Other Sparkling is also segmented under the following wine types:
  - **Asti** Naturally low in alcohol, Asti is a light, sparkling DOCG wine from the Piedmont region of Italy.
  - **Cava** A sparkling DO Spanish wine produced, predominantly in Catalonia, via a similar method to Champagne.
  - **Crémant** A group of sparkling wines produced via the same method as Champagne, but outside the Champagne area. Outside France, the 'crémant' name is legally limited to Luxembourg.
  - **Flavoured Sparkling Wine** Comprises sparkling wine varieties to which flavour has been added.
  - **Lambrusco** An Italian slightly sparkling (frizzante) wine, produced from the Lambruso grape which is grown in the Emilia-Romagna region.
  - **Prosecco** Sparkling or semi-sparkling DOCG wines from the Veneto region of northern Italy,
  - **All Other Sparkling Wine** Represents all other sparkling wines not categorised above.

Fortified Wine

These wines are still wines which have had alcohol/spirits added to fortify them, ie, increasing their strength to 16–22% ABV.

- **Port** Fortified wine made in the Upper Douro region of Portugal, shipped from the port of Oporto, and fortified by the addition of Portuguese grape brandy, eg: Cruz; Cálem; Cockburn's.
- **Port-style Wine** Made in a similar way to port, not from the Douro region. The key countries producing this sort of wine are the US and Australia, eg: Fairbanks; Stanley Cask Port; McWilliam's Royal Reserve Port.
- **Madeira** Wine produced on the island of Madeira, perceived as a similar, but distinct product, eg: Cruz; Blandy's; Barbeito.
- **Sherry** Fortified wine made in, and only in, the Jerez region of Spain, eg: La Guita; Muyfina Manzanilla; Tio Pepe.
- **Sherry-style** Wine made in a similar way to sherry, not from Jerez. The key countries producing this sort of wine are the US, Australia, South Africa and New Zealand, eg: Fairbanks; Taylor; McWilliam's; Ship; Cellerman.
- **Other Fortified Wine** Comprises all other fortified wines, often defined by their region of origin. Some of the major types are (see below):

Other Fortified Wines	Country of Origin
Kommandaria A dessert wine produced from sun-dried grapes, eg: Altar Wine; Commandaria St John.	Greece; Cyprus
Marsala A dessert wine produced in the Marsala area of Sicily. Available in dry, semi-sweet and sweet versions. Examples include Pellegrino; Florio; Lombardo.	Italy
Malaga A sweet fortified wine originating from the Spanish province of the same name. Examples include: Malaga Larios; Cruz Malaga.	Spain
Mavrodaphne A traditional dessert wine from the Peloponnese region. Brand examples include: Kourtakis; Boutaris.	Greece
Montilla Produced in the Montilla and Moriles areas of Spain. Brand examples include: Alvear CB Fino; Gran Barquero.	Spain
Muscat A dessert wine traditional to Samos and to Portugal – known as Moscatel de Setubal.	Samos (Greece); Setubal (Portugal)
Pineau and Flocs A 'vin de liqueur' made by adding grape must to Cognac EV. Produced in western France, brands include: Reynac; Jules Gautret; Hardy.	France
Vin de Liqueur Made by adding fruit must to a high-strength regional spirit, eg: Calvados in the Pommac area. Examples include: Domaine Labet Macvin du Jura.	France
Vin Doux Naturel (VDN) Naturally sweet wine originating from France (Languedoc-Roussillon and Southern Rhône regions). Fermentation is halted early by adding grape spirit to kill the yeast. Can be red, white or rosé.	France

Light Aperitifs

Covers a range of drinks that are drunk as aperitifs, but are wine-based rather than spirits-based, though they are often fortified. There are three groups:

- **Vermouth** An aromatised, fortified wine that must be flavoured with at least one herb from the Artemesia wormwood family, with an ABV of at least 14.5% and not more than 22% ABV. Vermouth is most closely associated with Italy and France, and includes brands such as Cinzano, Martini, Noilly Prat and Riccadonna, among others.
- **Wine Aperitifs** Other aromatised wines, usually fortified and based on botanicals other than Artemisia, such as chinchona bark (quinine), gentian root, fruit, etc. Includes brands such as Lillet; St Raphael; Dubonnet; Byrrh; Ambassadeur and Rosso Antico. ABV is around 13.5–18%.
- **Fruit-based Aperitifs** Similar to wine aperitifs, but fruit- rather than grape-based. Scandinavia and France are key markets, with brands such as Caprice Kir; Red Gold; Cherry Rocher Guignolet. ABVs typically around 15%.
- **Other Light Aperitifs** Refers to all other light aperitifs not categorised above.

Other Wine

Refers to all other wine products that have been fermented, not distilled. These include:

Grape/Must-Based Wines

- **Flavoured Wine** Made from the fermentation of grapes to which a flavour has been added. Major markets are Spain, the US, France and Germany. The category is further segmented as:
    - **Fortified Fruit** Wine Produced by adding spirits containing at least 50% ABV to fruit wine.
    - **Fruit Flavoured Wine** Refers to grape-based wine to which fruit/flavouring has been added – usually berries or cherries.
    - **Ginger Wine** A fortified wine with strong historical roots in the UK, made from a blend of fermented ginger, raisins, sugar and yeast.
    - **Glühwein** A traditional mulled wine beverage comprising red wine heated with mulling spices, including cinnamon, cloves, star anise, sugar and orange. Consumed during the festive season in its native Germany.
    - **Tonic Wine** Lower-cost regional fruit-flavoured wines produced from various fruits, with artificial flavouring and colouring. Sometimes an added functional element is incorporated, such as caffeine.
- **Other Grape/Must-Based** Includes all other grape/must-based wines not categorised above.

Non-Grape-Based Wines

- **Fruit Wine** Still and sparkling wines, made from berries (usually) or cherries. Includes fortified fruit wine (eg, the Blossa Glögg brand in Sweden). Also includes plum wine which is traditional to East Asia – particularly China and Japan – produced by fermenting ripe plums with sugar and yeast. Plum wine is typically aged and is believed to offer health benefits such as improving immunity, digestion and skin health.

- **Mead** An ancient fermented beverage produced from honey, water, yeast and malt. May be flavoured with fruit, spices or hops. Also known as 'honey wine'. ABVs of 5–20%.
- **Rice Wine** Wine made from fermented rice, typical to various Asian countries, with ABVs of 14–22%. Most notably:
    - **Sake** (Japan). Fermented from rice and water, sake is graded according to the rice-polishing ratio, and the amount of alcohol. In Japan, sake is also known as 'Seishu', 'Nihonshu' and 'Osake'.
    - **Cheongju** (South Korea). A traditional clear, refined rice wine.
    - **Huangjiu** (China). Also known as 'yellow wine' and perceived to have nutraceutical benefits due to its nutrient properties. ABVs of 14–20%.
    - **Other Riced-Based Wine** Covers all other rice-based wines not split out under other sub-categories.

Other Base Wine

A 'catch-all' for products not easily categorised in any of the above definitions.

No/Low-Alcohol Wines

Still and sparkling de-alcoholised wine and reduced-alcohol wine products that are explicitly marketed on this basis. Includes no- and low-alcohol light aperitifs. *Note: 'Naturally low alcohol' wines such as Asti, Moscato, etc are attributed as low-alcohol but included in the Asti sub-category of Other Sparkling Wines.*

No- and low-alcohol still and sparkling wine thresholds vary according to individual country legislation. In the IWSR database, in order to provide consistency, the no- and low-alcohol wine ABV brackets by category are defined as:

- **No-Alcohol** ABV must be 0.0–0.5%
- **Low-Alcohol** ABV must be >0.5–7.5%

Spirits

Agave-Based Spirits

Spirits produced from the agave plant, a succulent native to the Americas. These spirits are most closely associated with Mexico, though some are now made in other countries.

- **Tequila** Produced in the Mexican state of Jalisco from the blue agave species (Agave tequilana). Regulations allow for the addition of non-agave-sourced sugars to the mash, up to 49% of the total fermentable sugars, in which case the tequila is called **Mixto**. If made from pure agave, it is designated **100% Agave**. ABV must be at least 35% ABV.

- **Blanco/Silver Tequila** (also referred to as white or plata) – a clear spirit aged for no more than 60 days.
- **Oro/Gold Tequila** Includes **Joven** (can be a blend of aged and unaged tequilas but more commonly unaged tequila treated with caramel, glycerine and oak extract to alter the colour and flavour), **Reposado** (aged at least two months), **Añejo** (aged at least one year) and **Extra Añejo** (aged at least three years).
- **Cristalino** A newer category of tequila that has been aged and then filtered through charcoal to remove colour. Age style can be Reposado, Añejo or Extra Añejo.
- **Flavoured Tequila** Has been flavoured with a non-regular source of flavour, usually fruit or spice. Age band is Joven. Examples include:1800 Coconut Tequila; Gran Centenario Baby Mango, etc.

- **Mezcal** Can be produced from over 30 agave variates and species in several Mexican states that fall under the 'Mezcal Geographical Origin'. Products must contain at least 80% agave. For mezcal, the agave plants are cooked in fire pits in the ground, while for tequila, the blue agave is steamed in industrial ovens. Although not normally aged, mezcal can be aged, in which case the same terms and maturation durations used for tequila are applied. ABV ≥40%.

- **Other Agave-Based Spirits** Includes non-mezcal Mexican spirits such as (classified as Joven):
    - **Bacanora** Produced 100% from the Agave Pacifica plant, which is native to Sonora, Mexico. Brand examples include: Batuq; Mazot; Santo Cuviso. ABV 40%.
    - **Raicilla** Native to south-western Mexico, Raicilla has two geographical types: coastal (comprising primarily Agave Angustifolia and Agave Rhodacantha); and mountain (primarily Agave Maximiliana Baker and Agave Inaequidens). Brand examples include: Estancia; Manik; Balam; La Venenosa. All raicilla is 100% agave. ABV ≥40%.
    - **Sotol** Produced from the Desert Spoon (Dasylirion), a wild-harvested relative of the agave plant, as well as agave-based spirits produced outside Mexico. Brand examples include: Oro de Coyame; Desert Door; Clande. ABV typically 38%. Products may be aged, using the same duration times as for tequila.

Brandy

Brandy in the broadest sense refers to any distilled fruit wine, though it is most closely associated with distilled grape, which for most production. It is usually, though not always, aged.

- **Cognac/Armagnac**
    - **Cognac** Refers only to brandy made in the delimited areas of the Charente and Charente-Maritime provinces of western France, and which meets certain criteria relating to grape types and ageing. Must have an ABV of at least 40%.

- **Armagnac** Comes from the Armagnac region in south-west France. Must have an ABV of at least 40%.

The age style classifications applied to Cognac and Armagnac brands are as follows:

- **Extra** Like XO, 'Extra' must have been aged for minimum of 10 years.
- **Intermediate** Ageing falls within the VSOP classification, but a VSOP may be referred to as a 'Napoleon' if it has been aged for more than six years.
- **Special** Like VS, 'Special' must be aged for a minimum of two years.
- **VSOP** 'Very Superior Old Pale', aged for a minimum of four years.
- **XO** 'Extra Old', aged for a minimum of 10 years.
- **XXX/VS** 'Very Special' or VS must be aged for a minimum of two years, while 'Extra Extra Old', or XXX, is aged for a minimum of 14 years.

- **Other Brandy** is divided as follows:
  - **Grape Brandy** Covers **traditional** aged and non-aged brandy made outside Cognac or Armagnac, ie (other) French, Spanish, Italian, Armenian, South African brandy, etc. To segment this category, use 'Country of origin' in the online database or look in the individual sections of the country reports. There is a **flavoured** sub-category to cover flavoured versions of some brands.
  - **Grape EDV (Eaux de Vie)** Usually distilled using pot stills or short column stills to produce a characterful spirit. It is not usually aged, although can be in some cases. Often produced from the remnants of the grape once it has been pressed and the juice extracted (ie, the grape skins and pips), in which case it is known as pomace brandy or marc. Italian **Grappa** and Greek **Tsipouro** are examples. It can also be produced from wine in the case of **Pisco** (native to Chile and Peru) and **Singani** (traditional to Bolivia). **Other grape EDV** includes grape spirits produced in Eastern Europe and the Balkans and collectively known as **Rakia/Rakija** .
  - **Spirit Brandy** refers to brandies that include non-fruit derived neutral spirit in their manufacture. This includes: **Cut Brandy**, which is grape spirit that has been stretched through the addition of neutral spirit. Popular in the Philippines and India, regional variants such as Finnish Jaloviina (Jallu) and Dutch Vieux are traditional in Europe; and **Ersatz Brandy**, which is a brandy-styled spirit that does not use any grape at all in its production, mostly found in Brazil.
  - **All Other Brandy** Refers to drinks that do not strictly fit into the above, but nevertheless compete directly with brandy. These drinks usually have brandy as a base or flavour, eg Vinjak in Croatia and Serbia.
  - **Fruit Brandy** refers to brandy produced from fruit other than grape. This includes: **Calvados** (a French aged apple brandy produced in the region of Calvados, in Normandy) and **Other Fruit Brandy**, comprising typically aged non-grape fruit brandies produced from regional fruits such as cherry, plum, apricot, peach, pear, raspberry, etc. Regional terminology for/types of fruit brandies include: šljivovica in Eastern Europe and the Balkans; mirabelle in France; Kirschwasser in Germany; šzilvapalinka in Hungary; and medronho in Portugal.

Cane

Cane is usually produced from sugar cane juice rather than molasses, and is divided between: **cachaça** (flavoured and unflavoured) –the Brazilian-made cane spirit (38–50% ABV); and cane spirits made elsewhere in the world, such as **aguardientes** found in other Latin American countries (29–60% ABV).

Flavoured Spirits – Aniseed

'Aniseed flavoured' refers to the underlying flavour of aniseed. This set of drinks is split between dry and sweet sub-categories.

- **Dry Aniseed** Includes: **Pastis/Anis** of French origin; **Ouzo** of Greek/Cypriot origin; **Raki** (which is Turkish); **Absinthe** (where the chief flavouring ingredient is the flowers and leaves of wormwood (Artemisia absinthium); and **Arak/araq** (traditional to the Middle East). **Other Dry Anise** represents all other variants that are not easily categorized in the aforementioned segments. Products taste very similar and are usually drunk with water.
- **Sweet Aniseed** Much more liqueur-type drinks. **Sambuca** is of Italian origin but can be made elsewhere. **Anis/Dulce** are anisette drinks, consumed mainly in Mediterranean countries. **Pacharán** is a traditional aniseed/sloe-based drink, mainly consumed in the Basque region of northern Spain. **Other Sweet Aniseed** refers to all other variants that are not split out in the aforementioned segments.

Flavoured Spirits – Bitters/Spirit Aperitifs

This category comprises spirits flavoured with bark, roots and herbs, which can be of widely varying alcoholic strength; the unifying factor is their bitter taste. Further categorisation is made based on the respective roles that different brands fulfil, with some generally drunk before a meal as an aperitif and others generally drunk afterwards as a digestif (such as the Italian-made aromatic, bittersweet amari drinks). The most widely known **bitters** are Underberg, Fernet-Branca, Gammel Dansk, Becherovka and Jägermeister.

Chine is a bitter aperitif produced from the infusion of the roots and flowers of the China calissaia herb in alcohol, blended with other botanicals and distilled in pot stills. It is consumed as a digestif.

Well-known **aperitifs** include: Aperol, Campari, Picon, Suze and Martini Bitter. The category also includes spirit aperitifs such as Pimm's.

Flavoured Spirits – Fruit Eaux de Vie

Fruit EDV Refers to drinks distilled directly from fruit. Includes all other distilled fruit products. In some countries, the category also includes some products that are neutral spirits flavoured with fruit essence.

Flavoured Spirits – Liqueurs

Advocaat/Egg Liqueurs Traditional to the Netherlands, these beverages are thick, sweet, egg-based liqueurs (≤18% ABV), eg Warnicks. They are usually made with brandy, egg yolk and sugar, and often flavoured with vanilla.

Amaretti Liqueurs traditionally of Italian origin (eg Disaronno); drinks made or flavoured with almonds. ABV is generally around 21–28%.

Cassis Alcoholic blackcurrant cordials, normally used for mixing with wine or sparkling wine. The category also includes variants made from eg raspberries, blackberries or myrtle. Must have an ABV of at least 15%. Crème de Cassis de Dijon contains only blackcurrants grown in Dijon; Cassis Noir de Bourgogne is produced only from the 'noir de Bourgogne' currant variety from the Burgundy region.

Coffee Liqueurs Coffee-flavoured liqueurs, eg, Tia Maria and Kahlúa, usually containing 20% ABV.

Cream Liqueurs Cream and spirit liqueurs containing emulsified fat and usually a whisky, rum or brandy alcohol base. Includes brands such as Baileys and Carolans. ABVs tend to sit in the 15-18% range.

Licorette Very low-strength Dutch liqueurs (normally around 14% ABV) created to bypass tax regulations.

Limoncello A unique traditional Italian speciality, only recently branded on a significant scale. Mostly produced in southern Italy, particularly around the Amalfi coast and Sicily. ABV is around 30%.

Liqueur Ranges Ranges of products marketed under the same manufacturer's name and styling, eg, Bols, Marie Brizard, De Kuyper and Cusenier, etc. Generally used for cocktails, they encompass a wide range of different products, including triple sec/curaçao, as well as cherry and apricot brandies and crème de menthe (mint-flavoured), among many others.

Low-strength Flavoured Genever, korn and lemon brandy are sweetened, low-strength (with around 16–22% ABV) flavoured variations of their full-strength counterparts.

- **Low-strength Flavoured Vodka** perhaps causes the most confusion. Brands such as Absolut Citron, Stolichnaya Pepper, Smirnoff Twist and Finlandia Cranberry are full-strength vodkas (at 38–43% ABV) that are mildly flavoured with lemon, lime, pepper, etc. Low-strength vodkas are more strongly flavoured, often deeply coloured and usually very sweet, with an alcoholic strength of below 30% ABV, making them vodka-based liqueurs. *Note: All flavoured vodkas with 30% ABV are now categorised under the Flavoured Vodka category and attributed as low-alcohol.*

Maraschino Liqueurs based on maraschino cherries. ABVs around 25–32%.

Ponche/Cremas Includes Spanish ponche, which is a fruit-flavoured, brandy-based liqueur, and ponche cremas, which are emulsified fruit-flavoured drinks. Key brand examples include: Santa Clare; Caballero. Contain 9–25% ABV.

Rompope A liqueur that is emulsified to give it a cream-like appearance. Traditional to Mexico and popular elsewhere in Central America. Key brand examples include: La Holandesa; Coronado. 10% ABV.

Traditional High-strength Liqueurs Groups of liqueurs with an alcoholic strength of around 40%. They can be made from fruit, herbs or roots, with the base spirit varying by brand. Brands such as Chartreuse, Bénédictine, Drambuie, Grand Marnier and Cointreau, etc, are included in this sub-section.

Other Liqueurs Refers to all other liqueurs not mentioned above, such as Malibu, Frangelico, Passoã, Archers, etc.

Gin and Genever

Refers principally to juniper-flavoured spirits. The distinction between gin and genever reflects different manufacturing processes. Gin, or London Dry, is made from rectified (pure) spirits; genever/geneva bypasses this initial process and therefore retains some of the taste of barley, malt and grain. ABV must be at least 37.5%.

- **Gin** Split between flavoured gin and traditional gin, which draws a distinction between a high-strength gin that has some extra flavouring, and gins that do not.
- **Genever** (aka jenever/geneva) is traditional to the Netherlands and Belgium. Genever is categorised as either jonge or oude. This classification does not reflect an ageing process, but simply describes two slightly different processes, one of which is the older or 'oude' process, and one which is the newer or 'jonge' process. 'Other Genever' refers to genever that is not described as either jonge or oude.
- **Other Juniper-flavoured** Includes similar drinks to gin and genever. Steinhager and Wacholder are made in Germany and are juniper-flavoured. Borovička is Slovakian. 'Other Juniper flavoured' comprises all other juniper-flavoured drinks not covered under other categories.

National Spirits

This category covers white spirits not mentioned elsewhere, usually produced using traditional methods and holding a strong national association:

- **Aquavit/Akvavit/Akevitt** Usually produced and consumed in Scandinavia. Made in a similar way to vodka, the spirit is then flavoured with herbs, spices, caraway seeds, cardamom, cumin, dill, fennel, lemon and orange peel. Brand examples include: Aalborg Taffel; OP Anderson; Loiten Linie, etc. ABV must be at least 37.5%.
- **Arrack/Arrak** Not to be confused with the Middle Eastern 'Arak'. Arrack is a clear spirit produced in South and South-east Asia, particularly Sri Lanka, traditionally from the

naturally fermented sap of coconut flowers. Distillation of the sap must take place within hours of collection. Sugarcane or rice is also used. Arrak is the cheapest form of arrack made in Sri Lanka. There is a substantial volume of 'illegal' sales of Arrak (ie not commercially produced) in Sri Lanka – this volume is not included in the database. ABV is typically between 33–50%.

- **Baijiu** A diverse family of clear grain-based spirits produced in China. Solid state fermentation and steam distillation are the main hallmarks, though some baijius are made via other methods. Sorghum is the most used raw ingredient but barley, wheat, millet, buckwheat, maize and rice among others are also used, sometimes in combination. Four main flavour profiles are recognised: strong aroma, light aroma, sauce aroma and rice aroma. ABV typically varies from 38% to over 60%, with 53% a popular level. It can be aged in large earthen jars, sometimes for many years; as there are no standards, effects on flavour are not completely clear, so it is considered unaged. Also produced in Taiwan where it is known as 'kaoliang'.
- **Korn** A white spirit made from fermented grains – wheat, barley, oats, rye or buckwheat. This category includes korn at 35% ABV, and doppelkorn at 38% ABV. Korn is almost entirely consumed in northern Germany, usually neat and chilled.
- **Non-fruit EDV** Includes unaged spirits that have been distilled to carry over the original character of the mash, such as new-make spirits – the clear colourless spirit that comes off the still after distillation of eg whisky – and Irish Poitín (both also locally sometimes referred to as Moonshine); etc.
- **Shochu** A clear spirit produced in Japan from a variety of raw materials, typically grains, potatoes, rice and sugar. There are two classifications:
    - **Koh Shochu** Produced by continuous distillation, usually from cheaper ingredients than Otsu Shochu, such as sugar or molasses. ABV must be under 36%.
    - **Otsu Shochu** (also known as Honkaku) is produced using traditional methods, which includes a more restricted list of ingredients than Koh Shochu, the use of koji during fermentation and a single pot distillation. ABV must be <46%.
- **Soju** A clear non-aged spirit native to South Korea. There are two variants:
    - **Distilled Soju** Produced using traditional methods such as batch pot distillation; usually from rice or grain. No sweetener is added. Distilled soju tends to be higher in ABV, typically 35–45%, and higher priced than diluted soju.
    - **Diluted Soju** Produced from neutral spirit, water and flavouring. ABV is limited legally to 30%, but the spirit is often weaker and can be as low as 14% ABV.

Rum

Rum comprises a range of spirits produced from sugar cane, either from the fresh juice or syrup (agricultural rum) or molasses; a by-product of sugar production (industrial rum). Distillation can be in pot or column stills and the product can be aged or unaged. ABV is 37.5–40% in Europe and the US, but may be lower (32–35% ABV) elsewhere.

- **Dark Rum** is comprised of two sub-types:

- **Gold Rum** Generally gains its colour from ageing in wooden barrels (generally charred oak). Most premium rums fall into this category. Key brands are Tanduay in the Philippines, Contessa in India and Bacardí and Captain Morgan in the US.
- **Black Rum** is usually darker than gold rum; most of the colour is derived from the addition of caramel and molasses, rather than aging in barrels. More than 90% of black rum is consumed in India. Outside India it is mostly associated with parts of the English-speaking Caribbean. Key brands include McDowell's No 1 (Celebration) in India, Myers's Rum in the US, and Captain Morgan. The non-Indian brands are the old traditional navy or ethnic rums (Pusser's, Lamb's Navy, Stroh).

- **Flavoured Rum** divides into spiced rum and other flavoured rum. Spiced rum, as the name suggests, is typically flavoured with spices, such as cinnamon, vanilla, nutmeg, orange peel, etc, and refers to brands such as Captain Morgan Spiced and Bacardí Oakheart. **Other flavoured rum** is more fruit-based, with flavours such as lemon, pineapple, coconut, etc – eg Bacardî Limón. (Caveat – Malibu, which is a lower-strength product, is included in Liqueurs).
- **Rum Verschnitt** is rum stretched by adding different spirits and/or rum essence, typical to Eastern Europe, Brand examples include: Bael Domaci in Croatia; Captain Fred in Bulgaria; V&S Golden in Poland.
- **White Rum** is clear or off-white in colour. It is usually aged for at least a few months to soften the flavour and can be aged for several years (it will usually be filtered through charcoal to remove colour in this case).

Vodka

A clear neutral spirit made from a highly rectified alcohol, usually of agricultural origin (ie, fruit or grain), though some countries allow it to be produced from molasses. Vodka is divided into traditional vodka (≥37% ABV) and flavoured (30%+ ABV) vodka.

Note: We have revised our categorisation of lower-strength flavoured vodkas with 30% ABV. These are now included in the Flavoured Vodka sub-category and attributed as low-alcohol, rather than under Low-Strength Flavoured Vodka in the Liqueurs category.

- **Flavoured Vodka** Normally refers to flavoured versions of well-known brands such as Smirnoff Twist, Absolut Citron, etc. The category includes**:**

  - Reduced-alcohol flavoured vodkas, such as Grey Goose Essences and Ketel One Botanicals;
  - Brands such as New Amsterdam and New Amsterdam Pink Whitney, with ABVs of 30%; and
  - Polish flavoured vodka liqueurs that are marketed and positioned as 'vodkas' locally, including Żubrówka (a vodka flavoured with bison grass) or Jarzębiak (flavoured with rowanberries).

  Not included are brands such as Ursus Roter, Eristoff Red, Keglevich, Artic, etc. These are classified as a subsection of Liqueurs as Low Strength Flavoured Vodkas due to their strong colouring, high sugar content and low ABVs of less than 30%. Polish flavoured vodka liqueur variants with ABVs of below 30% are also included under Low-Strength Flavoured Vodkas.

Whisky

Produced from a fermented grain mash, usually containing some malted barley, which is then distilled and aged in oak barrels. Many countries lay down strict local regulations. Some countries, such as India allow the use of alcohol from non-grain sources such as molasses.

- **Scotch whisky** Whisky made only in Scotland according to rules laid down by the Scotch Whisky Association. It must be aged at least three years and contain no less than 40% ABV.
    - **Blended Scotch** Refers to whisky made by blending one or more malt Scotches with grain whisky (produced from a combination of malted barley and other non-malted cereals, and distilled in column stills).
    - **Malt Scotch** Refers to whisky made only from malted barley and distilled in pot stills. It can be blended malt (formerly called vatted malt or pure malt) if made from malt whisky from multiple distilleries, or single malt if it is from a single distillery. There are several recognized distinct malt Scotch-producing regions in Scotland: Highland, Lowland, Islay, Speyside and Campbeltown; in addition to the islands: Arran, Jura, Mull, Orkney and Skye.
- **Grain Scotch** Uses only grain whisky. It can be single grain if from a single distillery, or blended grain if made from whiskies from multiple distilleries.
- **US Whiskey** Refers to whiskey made in the US and is divided into Bourbon, Tennessee, Rye (which by law must be made from at least 51% rye), blended (must contain 20% straight whiskey), single malt, and 'other', which covers all other US-made whiskeys, including corn whiskey. ABV must be at least 40%.
- **Canadian Whisky** All whisky made in Canada, including rye. 'Rye' and 'Canadian Whisky' are defined under Canadian law as the same product. ABV must be at least 40%.
- **Irish Whiskey** Whiskey distilled in Ireland (south and north) carries European GI status. Malt Irish whiskey refers to whiskey exclusively produced from malted barley and distilled in pot stills; blended Irish whiskey refers to malt and grain whiskey blended together. ABV must be at least 40%.
- **Indian Whisky** All whisky made in India, including bulk whisky sourced abroad and bottled in India. Malt Indian whisky refers to whisky made exclusively from malted barley and distilled in pot stills; blended Indian whisky refers to malt and grain whisky blended together. Many brands include molasses alcohol in the blend. Flavoured Indian whisky is currently rare. ABV must be at least 40%. Note: Indian whisky cannot be sold in Europe and the US as 'whisky' – it must be labelled as 'spirit drink'.
- **Japanese Whisky** Refers to all whisky made in Japan, including from bulk whisky sourced abroad and bottled in Japan. Malt Japanese whisky refers to whisky made exclusively from malted barley and distilled in pot stills; blended Japanese whisky to malt and grain whisky blended together. ABV must be at least 40%. New legislation from the Japan Spirits & Liqueurs Maker Association (JSLMA) for members came into effect on 1st

April 2024, with a three-year grace period, stating among other requirements that to be classified as Japanese whisky, a product must be made with water sourced in Japan and, post-distillation, must be aged in barrels in Japan for a minimum of three years.

- **Other Whisky** Any locally made whisky not mentioned above. This would include Spanish, French, German and Brazilian whisky, among others. To differentiate 'other whisky', either look in the brand tables in the Adobe Acrobat PDF reports or select the 'Origin' field in the IWSR database alongside type and/or category level.
  Note: 'Light' (lower-alcohol) versions of existing whisky brands with ABVs of 20% (such as Ballantine's Light 20° Spirit Drink) are included under Other Whisky, rather than under Liqueurs, based on the marketing and perception of the product.
- **Flavoured Whiskies** have been broken out for Scotch, US, Canadian, Irish and 'other' whiskies.
  - Caveat: Flavoured, whisky-based beverages with ABVs of <30% are usually classified as liqueurs, whereas flavoured variants of existing whisky brands will usually be treated as flavoured whiskies. How a product is positioned and marketed can also play a role.
  - Caveat: Sazerac's Fireball is included under flavoured whisky. Despite being lower in ABV than standard whisky, it is seen by consumers and the industry as a competitor within the whisky market.

Other Spirits

The final 'catch-all' for all other spirits not classified elsewhere.

No-Alcohol Spirits

No-alcohol spirits substitutes, usually designed to be mixed. They can be produced with alcohol and then de-alcoholised, or produced by a process that does not involve alcohol at all. Many brands are styled as substitutes for specific alcoholic categories such as gin, whisky, rum, spirit aperitifs, etc.

Ready-to-Drink (RTDs)

Cocktails/long drinks are defined as pre-prepared beverages ready for consumption, typically containing multiple ingredients, in addition to an alcohol base. These can be further segmented as:

- **Cocktail Drinks** that reflect well-known cocktails (eg, mojito, negroni, mule, cosmopolitan etc).
- **Long Drinks** Common mixed drinks containing a base spirit and a non-alcoholic mixer (gin and tonic, vodka and soda, rum and cola, etc).

The type of base alcohol used is clearly identified (ie, gin, vodka, rum etc). As most products are spirit-based, ABVs can differ widely depending on the product (though typically sit at 5–15%).

Hard Seltzers are defined as being composed of a blend of carbonated water and alcohol, in some cases with added fruit flavour or fruit juice. Products are typically malt-based, but also wine- or spirit-based. Typical ABV is 4–6%, but can range from 3.5% to above 12%. Hard seltzers are often marketed on a 'better-for-you' low-calorie and/or no/low-sugar platform.

Hard Coffees are alcoholic coffee drinks that can be cold-brew or creamy hard coffee, commonly sweetened and often containing other flavourings such as vanilla. Often, brands are derivatives of non-alcoholic iced/RTD coffee drinks. The alcohol is typically malt-based. Typical ABV is 4–5%, but can be as high as 10% (eg Café Agave Spiked Cold Brew).

Hard Teas are alcoholic tea drinks, commonly sweetened and often fruit flavoured. Brands include derivatives of iconic non-alcoholic iced/RTD tea drinks, eg AriZona, Lipton, Snapple, etc. Typical ABV is 4–8%.

Hard Kombuchas are made with sweetened black or green tea. The kombucha is fermented and often also blended with natural juice. This probiotic tea is naturally slightly alcoholic due to the fermentation process, but hard kombuchas are made by increasing the ABV through a second fermentation; ABVs can range from 3% to over 7%.

Wine Spritzers/Coolers Wine spritzers comprise wine mixed with carbonated or soda water; wine coolers mix wine with fruit juice, and these are commonly carbonated and contain added sugar. Still wine mixes as well as fruit wine flavoured with spices, such as sangria, are also included in this sub-category. ABVs are typically around 5.5%+.

FABs (Flavoured Alcoholic Beverages) Covers all other RTDs. Smirnoff Ice, Bacardí Breezer and WKD are categorised as FABs. Products that originate as soft drinks with added alcohol are also included in this sub-category; examples include alcoholic aguas frescas. Typically, ABVs are in the range of 4–8%.

Ready-to-Serve (RTS) This is term is used to describe ready-to-drink products (in all sub-categories) that are:

- <355ml with 20% ABV or more;
- 355–500ml with 10% ABV or more; or
- >500ml, regardless of ABV.

Products can be identified in the database by the 'RTS' appended to the respective brand name.

Beer

Beer is mainly a cereal grain-based, brewed and fermented beverage. It usually involves malt barley and yeast fermentation, and is commonly flavoured with hops. Sorghum beer is not included.

IWSR data is divided into the following sub-categories:

- **Lager** The most common type of beer, accounting for around 85% ~~0~~% of global volumes. Fermented at cool temperatures with a bottom fermenting yeast and then stored (lagered) at low temperatures for several months to allow sediment to settle, producing a clear, usually straw-coloured, effervescent light bodied beer.

- **Ale** Fermented at higher temperatures using a top-fermenting yeast, usually resulting in a more full-bodied, flavoursome and less effervescent or flat beer. Also termed: IPA; brown ale; light ale; mild ale; bitter. ABV >3.5–10%.
- **Malt Liquor** With an ABV of 6–9%, malt liquor is stronger than many regular beers due to the addition of eg rice, corn, sugar or other adjuncts. Brand examples include: Colt 45; Mickey's.
- **Specialty** Includes beers with distinctive attributes that are not captured in other categories, such as Lambic beer, Bock beer, Altbier, Kölsch, Kellers, Trappist, Marzens, sour beer, specialty IPAs (eg, black, Belgian, spiced, strong with multiple hops, whisky-infused), etc. Also includes beer ranges produced by many craft brewers that it is not possible to split out.
- **Stout** A type of ale produced with toasted barley to produce a dark or black beer. Includes **Porter**. The highest presence is in the UK. Brand examples include: Guinness, Beamish Irish Stout, and London Porter. ABV typically between 4–7.5%.
- **Wheat Beer** A type of ale that uses a large proportion of wheat in the brew, typically resulting in a lighter, often cloudy beer with a distinctive flavour. Also called Witbier, Weissbier, Weizen or Biale. Brand examples include Erdinger and Hoegaarden. ABV is typically 2.5–5%.
- **Other Beer** Brewed using traditional methods and ingredients not covered above. Examples are Tibetan/Nepalese Chhaang, etc.
- **Flavoured Beer** Beer made with the addition of non-traditional flavours, including fruit and non-fruit flavours, usually added post-fermentation. This divides into **Radlers** (aka shandies – beer mixed with sparkling lemonade or other fruity soft drinks) and **Other Flavoured Beer**.
- **Low-alcohol Beer** Products with ABVs of 0.5–3.5% (in several markets, low-alcohol beer cannot exceed 1.2% ABV).
- **No-alcohol Beer** Contain <0.5% ABV.

Note: The IWSR definition of Beer excludes no-alcohol malt beverages. These are defined as: non-alcoholic dark malt pasteurised beverages, often termed as 'malta' and most prevalent in the African, South American and Caribbean regions such as Malta Guinness, Malta Polar, Vitamalt, etc; and clear malt unfermented non-alcoholic beverages typical of the Middle East region and Turkey, including Fayrouz, Birell (from Al Ahram), etc.

Craft Beer/Cider A craft beer or cider is defined as originating from, and being produced by, an independent, small-scale (artisanal) brewery with annual production of up to 6m barrels (or 7.04m hLs). The brewer may be a distinct, small, independently run organisation (such as BrewDog, or Brick Lane Brewing), or one that started out as independent but has since been acquired by a larger company/multinational (Goose Island is owned by AB InBev, Lagunitas by Heineken).

A craft brewery will typically offer a distinctive/innovative portfolio encompassing different, often unique, styles of beer/cider (IPAs, lagers, ales, etc). Craft beers/ciders typically carry a more premium price point, reflective of the high-quality ingredients used in production.

Cider

Made from the fermented juice of apples. IWSR data also contains cider made from other fruit, such as pears (the latter is sometimes referred to as perry), but these are currently not split out. Includes no/low-alcohol cider. The category excludes pear ciders positioned as ersatz wine, such as Lambrini. ABVs typically range between 4.5–7%.

Appendix

Still Wine Data

All wine sections apart from still wine are as comprehensive as the spirits sections, and can be used in exactly the same way. Still wine is somewhat different given the size and diversity of the market. Total market data exists in the IWSR database and normally goes back at least to 1990. Country of origin tables, showing total French wine sold, total Australian wine sold, etc, also go back to 1990 in most cases. Brand data will go back as far as possible.

Country of Origin for Still Wine
Where the country of origin is listed as 'International' there is a mixture of several countries of origin.

Issues to be aware of:

- Some countries have more limited brand data than others – this is normally where there is a strong retail sector dominated by supermarket chains with strong buyer-own brands, such as Germany, Belgium, etc, or producer countries given the sheer size of the market.
- Analysis of total still wine consumption and by supplier countries can be done with confidence back to 1990, but some small volumes of some exporting countries may be missed in some markets.
- Although the depth and breadth of the company and brand volume data has improved significantly in recent years, the sheer number of wine brands and companies in the market make full tracking across all markets problematic, and volumes of some leading brands and companies can be missed. Also, bulk sales for blending or retailer-own brands are not easily tracked. This means that ranking either at a global or national level should be done with some caution.

Glossary

Commonly used abbreviations in reports:

ABV	Alcohol by Volume
AOC	Appellation d'Origine Contrôlée
BAS	Bottled at Source
B2C	Business-to-Consumer
B2B	Business-to-Business
B2B2C	Business-to-Business-to-Consumer
BIB	Bag-in-Box
BII	Bottled in India
BIO	Bottled in Origin
BLE	Brand Line Extension
BNIC	Bureau National Interprofessionel du Cognac
C2C	Consumer-to-Consumer
CAGR	Compound Annual Growth Rate
CIF	Cost, Insurance and Freight
COO	Country of Origin
CIVC	Comité Interprofessionnel du vin de Champagne
DF/TR	Duty-Free/Travel Retail
DO/DOC	Denominaciòn de Origen/Denominaciòn de Origen Controlada (Designation of Origin/Controlled Designation of Origin)
DOCG	Denominaciòn de Origen Controlada e Granantita (Controlled and Guaranteed Designation of Origin)
DOP	Demoninazione di Orgine Protetta (Protected Designation of Origin)
D2C	Direct-to-Consumer
EBC	European Beer Colour
FOB	Free On Board
GI/IGT/IGP	Geographical Indication/Indicazione Geografica Tipic/Indicazione Geografica Protetta (Protected Geographical Indication)
GST	Goods and Services Tax

GTR	Global Travel Retail
Horeca	Hotels, Restaurants, Cafés
IBU	International Bitterness Unit (Beer)
IMF	International Monetary Fund
IMFL	Indian Made Foreign Liquor
IMIL	Indian Made Indian Liquor
LC	Local Currency
MCU	Malt Colour Units
LDA	Legal Drinking Age
NAS /NAD	No Age Statement/Non-Age Designated (Whisky)
PL	Private Label
PET	Polyethylene Terephthalate
RSV	Retail Sales Value
RSP	Recommended Sales Price
RTD	Ready-to-Drink
RTS	Ready-to-Serve
SKUs	Stock Keeping Units
SOLA	Sustainable, Organic, Lower Alcohol
SRM	Standard Reference Method (Beer Colour)
SWA	Scottish Whisky Association
VdT	Vina da Tavola (Table Wine)
VQPRD	Vin de Qualité Produit dans une Région Déterminée/Vino di Qualità Prodotto in Regioni Determinate (Quality Wine Produced in Specified Regions)