

Wine consumption trends for 2021

2020 was an extraordinary year for businesses across the globe, and the F&B industry worldwide has also greatly felt the impact of Covid-19. A recent news report indicated that the Maharashtra State Government's Excise Department had seen a 22% reduction in revenue between April to November of 2020 as compared to same time last year, given the ban on alcohol sales for a major part of the Covid lockdown.

(By Sonal Holland)

As we enter a New Year, Sonal Holland, India's only Master of Wine and the country's most established wine expert, shares her thoughts on wine consumption trends for 2021 – and how these will affect the hospitality industry, specifically.

2020 was an extraordinary year for businesses across the globe, and the F&B industry worldwide has also greatly felt the impact of Covid-19. A recent news report indicated that the Maharashtra State Government's Excise Department had seen a 22% reduction in revenue between April to November of 2020 as compared to same time last year, given the ban on alcohol sales for a major part of the Covid lockdown. With sales only opening up again in end-August 2020, the industry has been playing catch-up ever since, to try and make back the significant losses faced over the course of the year.

In the last quarter of 2020 however, we finally saw some buoyancy and a pick-up in sales. Keeping this in mind, here is my forecast for the wine trends for 2021, especially as they relate to the hospitality industry:

A Thirst for Knowledge

The pandemic was marked by a steep increase in online learning – webinars, Zoom meets, Instagram Lives and more helped people worldwide bide their time, with countless resources becoming available via which people were able to learn new skills. The wine and beverage industry also saw a lot of knowledge being shared by global experts; I predict that both consumers and professionals in the trade will continue to consume education about beverages and wine, well into the New Year.

A Surge in Specialist Wine Stores & Online Sales

In 2021, I see more consumers seeking out modern wine specialist stores at which to make their purchases. These are typically posh shops located within large food retail formats, shopping malls or multi-theatre complexes. They offer a wider selection of both domestic and international wines; better-informed staff; and overall, a better experience for the consumer.

Another big trend that will continue into this year is the purchase of alcohol online. Ever since the Government has allowed online sales of alcohol, consumers have gravitated towards this highly convenient – and pandemic-proof – way of purchasing their favourite beverages. Given that the excise department has seen such a significant dip in revenue this year, I see no reason why the Government won't continue to encourage online liquor sales into 2021, and even longer.

A Boom in Retail Sales versus Restaurants

There is no question in my mind that retail sales of alcohol will boom in 2021 and will take a lion's share of the pie. Traditionally speaking, retail sales have always constituted around 70% of all wine sales in the country. Now, due to the pandemic, there will be continued pressure on luxury restaurants and hotels to sell their wine, and especially to rationalize their wine pricing and markups. While this has always been a sore point for restaurants and hotels, it will become even more the case now, with consumers now so used to the conveniences of buying alcohol online, receiving home deliveries, and more – all without the markup.

More Sensible Pricing = New & Different Wines

In 2020 specifically, but over the last few years as well, the Indian market has been buying a lot of wine through retail. This has led to customers becoming more conscious of the glaring difference between alcohol pricing in stores versus in hotels and restaurants thanks to the huge markups imposed by the latter. In 2021, I believe that customers will seek more sensible pricing. What hotels and restaurants can do as a result, is add wines from lesser-discovered (and therefore more exciting) regions of the world, as these will automatically be better priced. These will cater to both a customer's wallet, as well as a thirst for finding new and different wines, that consumers are already developing.

A Greater Digital Focus for Alcobev Companies

Marketing, especially in the digital space, has been steadily growing in importance and significance over the last few years. Now more than ever, companies in the alcobev space need to embrace the power of digital marketing, and not only rely on in-store visibility. With online liquor sales, the launch of apps through which consumers can buy their alcohol, and WhatsApp home deliveries, the need for digital visibility has never been higher. Companies should rethink their marketing strategies in 2021, with a focus on their web sites, social media handles, and other online retail platforms.

(Sonal Holland is a Master of Wine, an Educator, Entrepreneur, and the Founder of SoHo Wine Club and Sonal Holland Wine Academy.)

<https://hospitality.economictimes.indiatimes.com/news/speaking-heads/wine-consumption-trends-for-2021/80266388>