IWSR

Wine Landscapes 2025

Australia

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Executive Summary

IWSR Viewpoint

Australia remains challenged by volume declines despite increases in consumer participation. This is shaped by moderation and a generational divide in consumption and spend

Opportunities

- Wine population stabilises.
- Consumer confidence returns.
- Younger cohorts driving spend.
- The rise of Social Newbies.

Threats

- Total wine volume declines.
- On-premise volume struggles.
- Generational divide in domestic wine.

After several years of contraction, Australia's wine-drinking population has begun to stabilise. Growth in the overall adult population, supported by net migration, is expanding the total number of regular and weekly wine drinkers. Wine is also benefitting from relative affordability compared with spirits, which face higher taxation, helping to level out previous declines in participation.

Despite this, there is still pressure on overall wine volumes, which have continued to decline at a single-digit rate, a trend expected to persist into next year. This decline is less about affordability or occasions and more about evolving consumer priorities, with health, wellbeing and reduced alcohol intake increasingly driving behaviour. Lower-ABV and lighter styles are expected to fare better as moderation becomes a more prominent cultural driver.

Structural shifts are evident. As Engaged Explorers age and the segment shrinks, their influence on value and volume is waning. In their place, the younger segment of Social Newbies is driving both volume and value.

The on-trade highlights a clear generational divide. Bars and pubs have returned to pre-pandemic levels of wine buyers, with younger cohorts driving participation, particularly Gen Z. Frequency of purchase has increased for some occasions, and financial confidence among younger consumers supports spending, especially through accessible formats such as by-the-glass. However, overall on-premise wine volumes have fallen since 2019, underscoring the impact of moderation. Consumers may be present in venues, but they are drinking less per occasion.

Domestic wine consumption further illustrates a dissonance between the generations. Older drinkers are more likely to purchase Australian wines, while younger drinkers are spending their money across imports, grape varieties and other beverages.

With long-term declines in Australian wine consumption, this generational imbalance compounds inventory challenges, particularly for red wine, and raises questions about the long-term resilience of domestic value-driven brands.

In short, Australia's wine market is being reshaped by moderation and generational differences. Older drinkers sustain domestic wine, whereas younger drinkers are more confident and experimental. Producers must navigate both dynamics to remain competitive.

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Key takeaways

The wine population rebounds

The size of the regular wine drinking population has stabilised due to an increase in the overall adult population and wine incidences recovering.

Social Newbies more valuable

As the Engaged Explorer segment contracts, so does their influence. Social Newbies are now driving value and volume.

Confident young people drive spend

Gen Z and Millennials are showing greater financial confidence, which is translating into higher wine spend across both on-premise and off-premise occasions.

Challenges to wine volumes persist

Moderation is driving wine volume declines, despite a slight uptick in consumption frequency and the wine-drinking population.

Bars return but volumes decline

The numbers purchasing in a pub or bar have increased over time, but on-premise volumes continue to decline, led by moderation.

Domestic wine under pressure

Consumption of Australian wine is falling and skewed to older drinkers. The generational divide puts pressure on value brands and domestic wine inventories.



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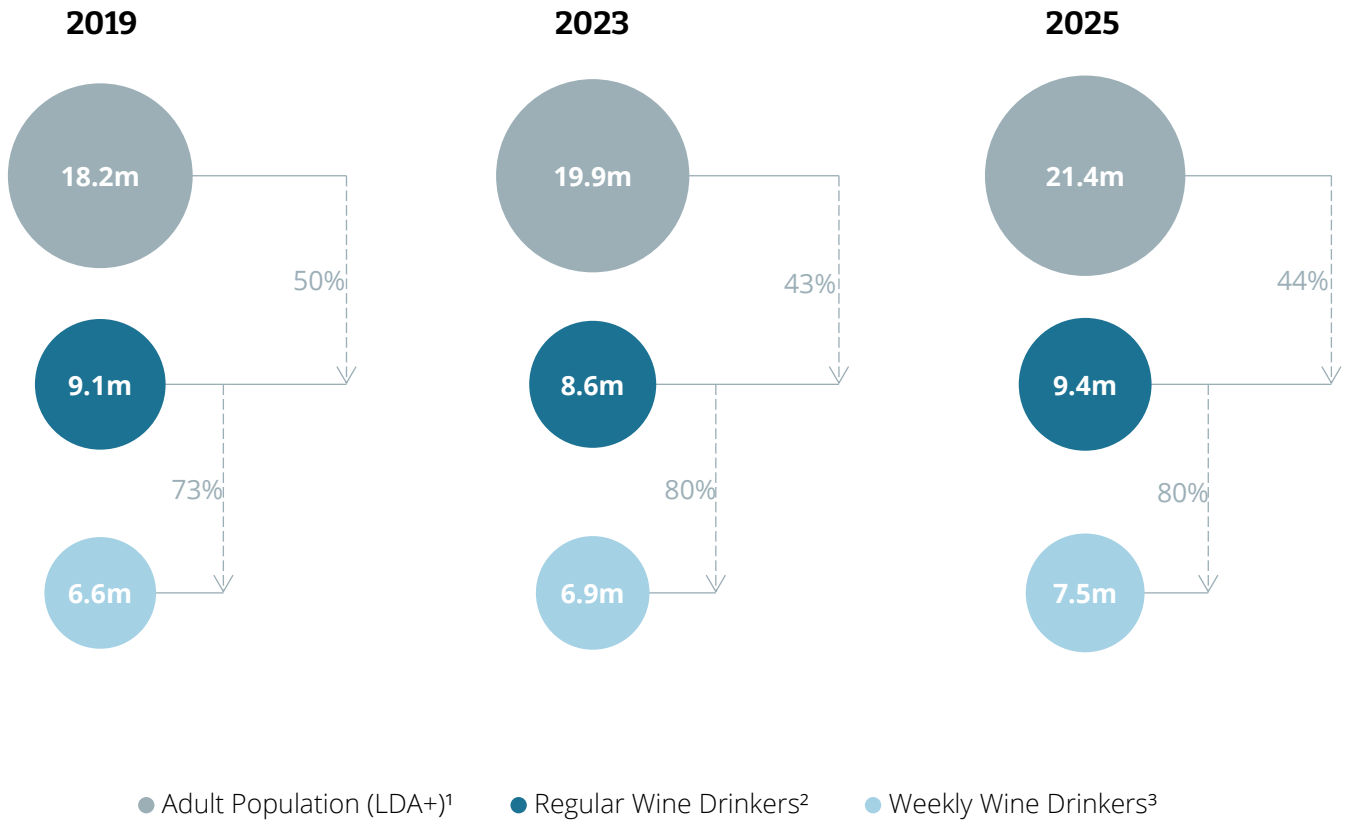
The wine population rebounds

The population of regular wine drinkers had been shrinking but this trend appears to have stabilised. This is in part because wine is becoming more affordable as spirits and RTDs face higher taxation, making them less competitive.

At the same time, growth in the adult population – partly driven by net migration – has contributed to an increase in the total number of regular and weekly wine drinkers.

Conversion of Adults to Regular Wine Drinkers (RWDs)

Population Size (Millions) I Share of Regular Wine Drinkers (%) I Share of Weekly Wine Drinkers (%)



Sources: ¹Population estimates, Australian Bureau of Statistics. ²IWSR online calibration study, September 2019, and rolling average of May 2022 and May 2023, rolling average of January 2024 and February 2025 (n ≥ 1,000) Australian adults 18+. Wine = still light wine (red, white, rosé). ³Base: All Australian regular wine drinkers (n ≥ 1,000). Source: Vinitrac® Australia, July 2019, July 2023 and July 2025 (n ≥ 1,000), Australian regular wine drinkers

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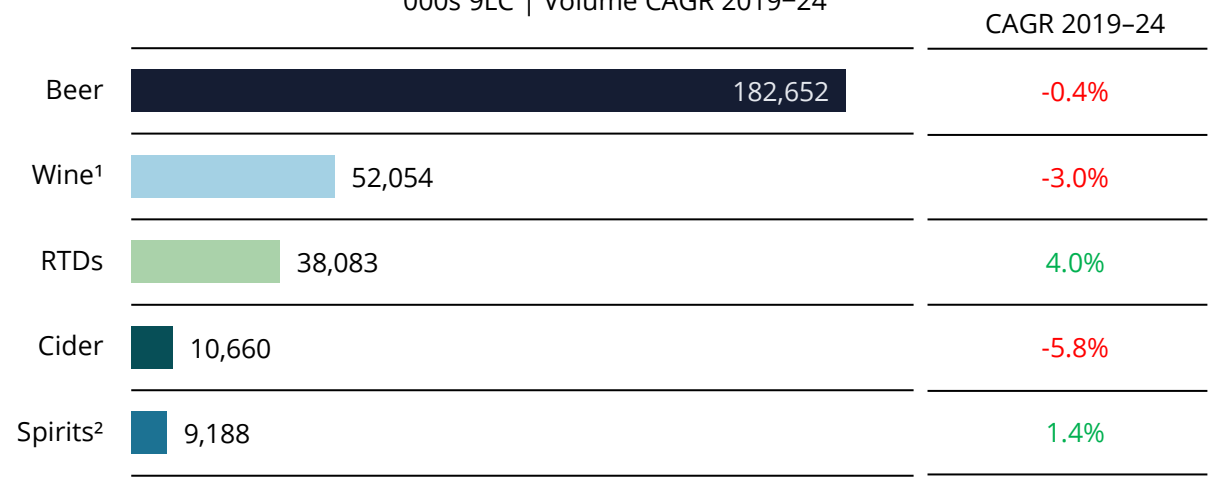
Challenges to wine volumes persist

Although the regularity of wine consumption has increased for less-frequent occasions, and the wine-drinking population has grown, wine volumes continue to show a single-digit decline, a trend expected to persist into next year.

The decline represents a shift away from price or occasion driving purchases towards wider alcohol moderation and prioritising wellbeing. This is amplified by younger drinkers participating in challenges such as Dry January.

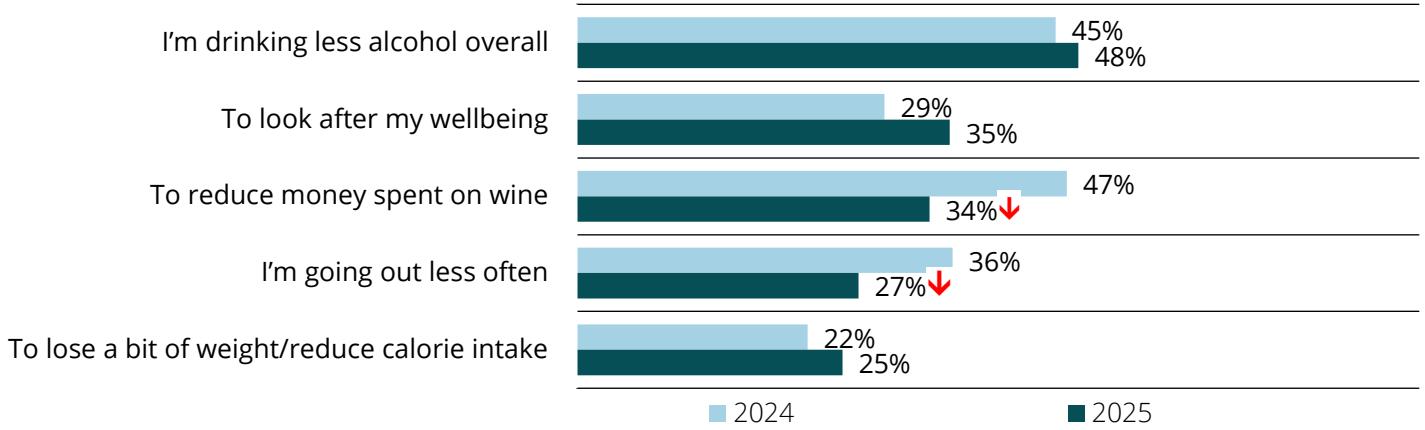
Total Beverage Alcohol Volume 2024 by Category

000s 9LC | Volume CAGR 2019–24



Reasons for Drinking Less: Top 5¹

Percentage who are drinking less wine this year and gave one of the reasons shown



¹Wine includes still wine, sparkling wine, fortified wine, light aperitifs and wines. ²Spirits includes whisky, gin and genever, vodka, agave-based spirits, rum, cane, brandy and flavoured spirits. Source: IWSR.↑/↓ = Statistically significantly higher/lower than 2024 at a 95% confidence level. ¹Base: Those who stated they were drinking a little bit/a lot less wine compared to last year. Source: Vinitrac® Australia, July 2024 and July 2025 (n ≥ 1,007), Australian regular wine drinkers

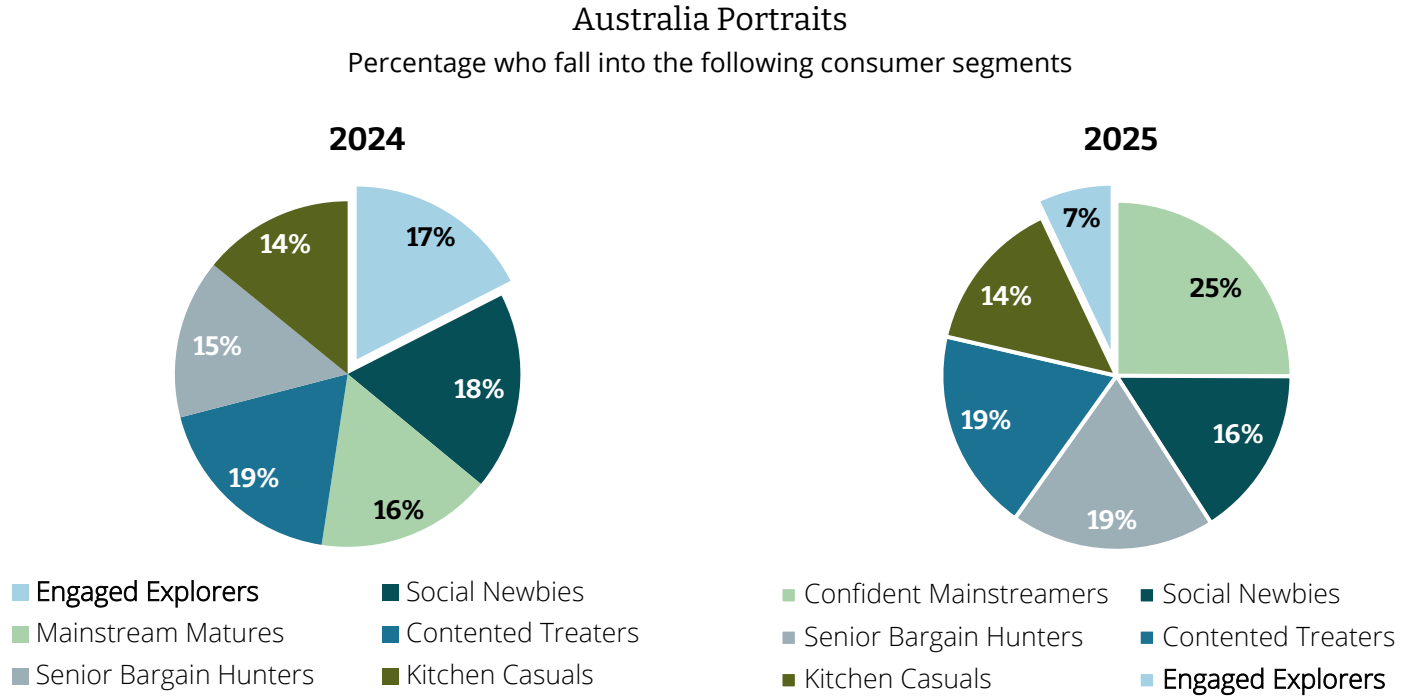
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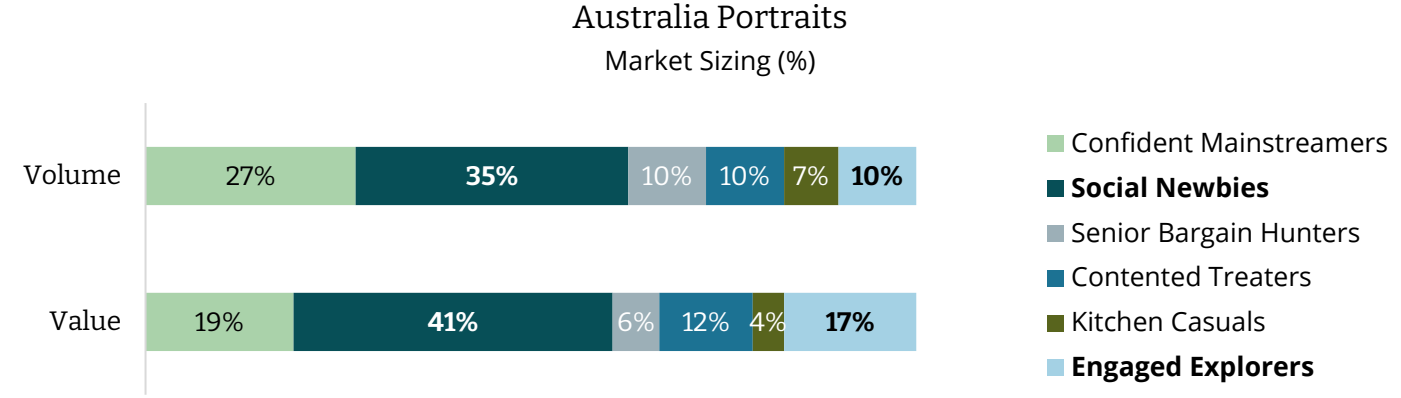
Social Newbies more valuable

Engaged Explorers were once the largest segment by market value and volume, but this has shifted.

Engaged Explorers have now become less influential, as there are fewer of them. In 2024, 17% of regular wine drinkers were Engaged Explorers, but now only 7% are.

This is due to people becoming older and reducing their frequency of consumption. Social Newbies, mainly Millennials and Gen Z, are now the most valuable segment.





Base: All Australian regular wine drinkers (n≥1,007). Source: Vinitrac® Australia, July 2024 and July 2025 (n ≥ 1,007), Australian regular wine drinkers

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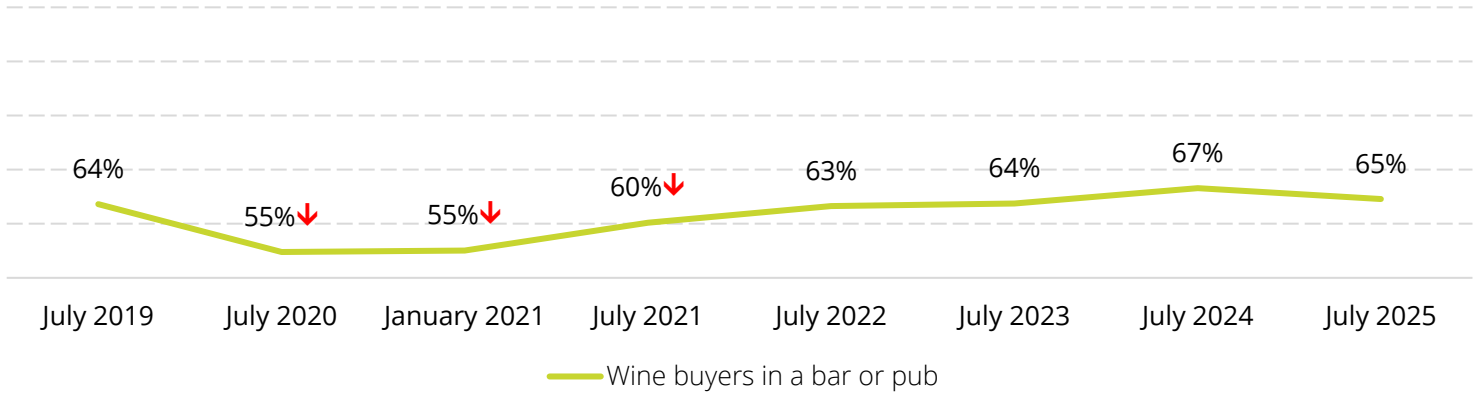
Bars return but volumes decline

Wine buying in bars and pubs has returned to 2019 levels, driven by younger people: 73% of Gen Z now purchase wine in these venues. Frequency of purchase on some on-premise occasions has also increased across the same period.

Despite this, volumes have declined since 2019, with a CAGR volume drop of 7.9%. As health and wellness become more front of mind, wine consumption has fallen, presenting a challenge for the market.

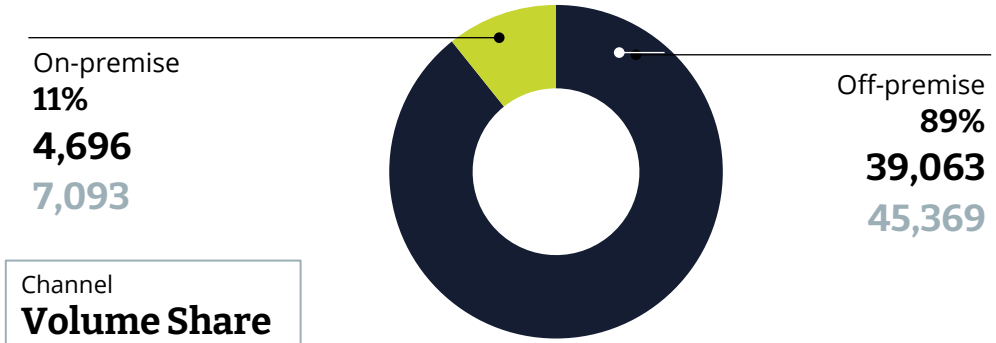
Wine Purchased Through On-premise Channels: Bar or Pub

Percentage who buy wine in a bar or pub



Still Wine Volumes: On- vs. Off-premise*

000s 9LC



Channel
Volume Share
2024 Volume
2019 Volume

*Excludes no-alcohol still wine. Source: IWSR. ↑/↓ = Statistically significantly higher/lower than 2025 at a 95% confidence level. Base: All Australian regular wine drinkers (n ≥ 1,000). Source: Vinitrac® Australia, July 2019–July 2025 (n ≥ 1,000), Australian regular wine drinkers

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Confident young people drive spend

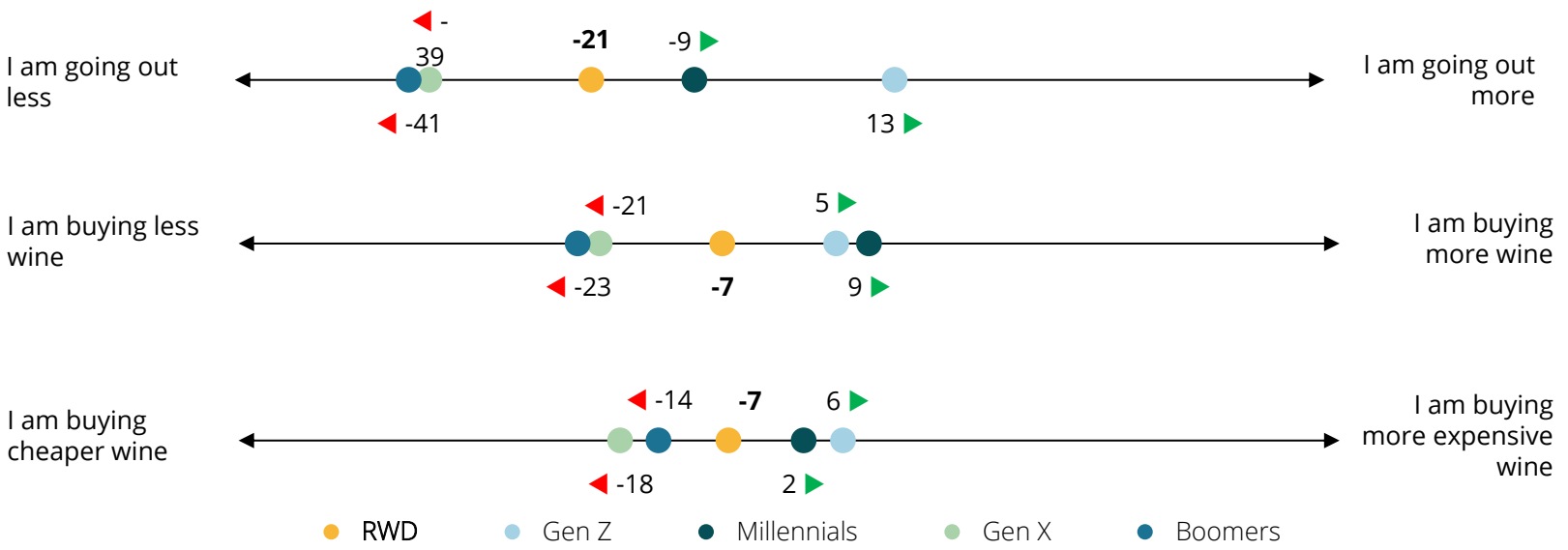
Growing financial confidence among Gen Z consumers is driving them to go out more often and to spend more of their money on wine than previously.

As a result, spend is increasingly being driven by younger wine drinkers, especially in the on-premise.

This highlights a potential opportunity for value-driven brands, if they can target these younger consumers effectively.

Consumer Confidence: Wine Spending

Net Score*



Typical On-premise Spend By The Glass

'% who typically spend the following amount on a glass of wine in the on-premise

	RWDs**	Gen Z (LDA–28)	Millennials (29–44)	Gen X (45–60)	Boomers (61+)
Less than $9	**18%**	10%	15%	21%	26%
$9–11.99	**30%**	24%	30%	33%	32%
$12–14.99	**23%**	20%	21%	23%	25%
$15–17.99	**11%**	21%	11%	8%	5%
$18 or more	**13%**	20%	20%	9%	2%
I don't order it by the glass	**6%**	4%	2%	6%	10%

*Net Scores calculated by subtracting the % who agree with the statement on the left from the % who agree with that on the right. **Regular wine drinkers. ◀/▶ = 7+ index points higher/lower than all Australian regular wine drinkers. Base: All Australian regular wine drinkers (n = 1,007). Source: Vinitrac® Australia, July 2025 (n = 1,007), Australian regular wine drinkers

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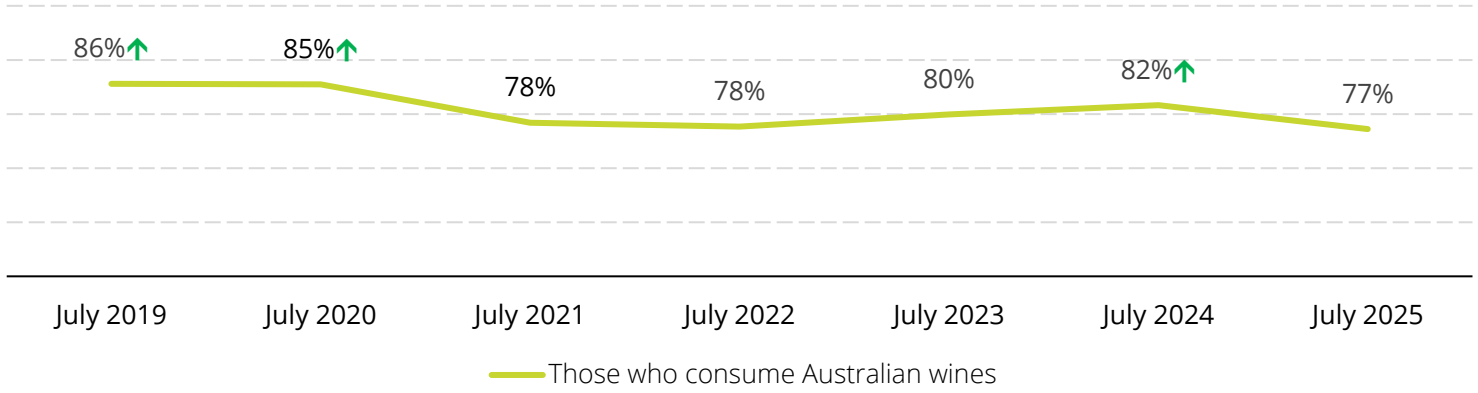
Domestic wine under pressure

The proportion of regular wine drinkers who consume Australian wine has been declining for six years, with a further fall since last year.

Consumers of Australian wine are more likely to be older drinkers, while younger ones are spending on wine from elsewhere. This generational divide poses future challenges for premium Australian brands and adds further pressure on ongoing inventory issues, particularly for red wine. Alternative pack formats will be helpful in managing this.

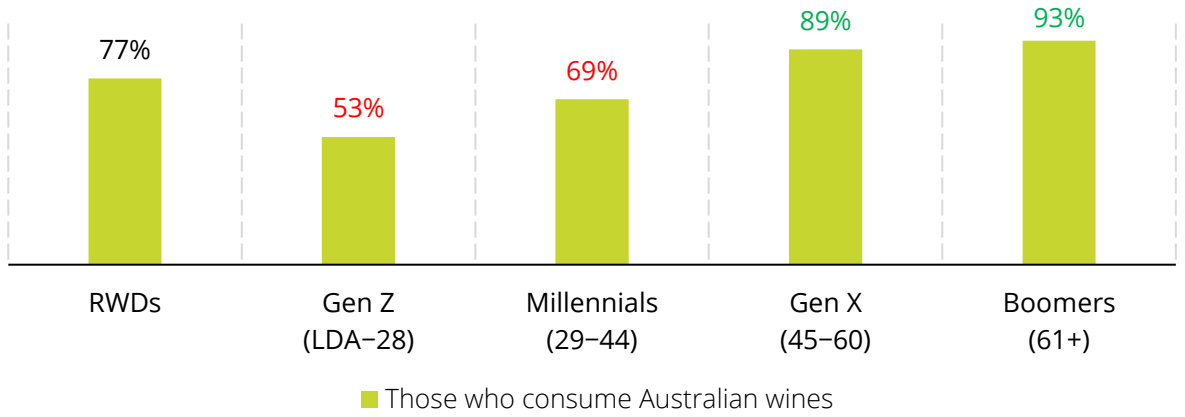
Australian wine consumption

Percentage who have drunk Australian wine (past six months)



Country of Origin Consumption

Percentage who have drunk wine from the following places (past six months)



%/% = Statistically significantly higher/lower than Australian regular wine drinkers at a 95% confidence level. ↑/↓ = Statistically significantly higher/lower than 2025 at a 95% confidence level. Base: All Australian regular wine drinkers (n ≥ 1,000). Source: Vinitrac® Australia, July 2019 - July 2025 (n ≥ 1,000), Australian regular wine drinkers

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Tracking top fives (1/2)

Consumption of wine from France and Spain has increased since 2021; they are purchased at similar rates across age groups. Red and white wine remain the most purchased beverages

Alcoholic Beverages

Percentage who have drunk the following beverages (past 12 months)

		2021	2025	Tracking
1	Red Wine	79%	76%	→
2	White Wine	73%	76%	→
3	Beer	63%	61%	→
4	Whisky	37%	40%	→
5	Vodka	35%	39%	→

Wine Countries of Origin

Percentage who have drunk wine from the following places (past six months)

		2021	2025	Tracking
1	Australia	78%	77%	→
2	New Zealand	31%	34%	→
3	France	19%	23%	↑
4	Italy	17%	20%	→
5	Spain	8%	11%	↑

Wine Regions of Origin

Percentage who have bought wine from the following regions (past three months)

		2021	2025	Tracking
1	Barossa Valley	24%	24%	→
2	Margaret River	20%	19%	→
3	South Australia	16%	19%	→
4	Hunter Valley	18%	18%	→
5	Yarra Valley	14%	16%	→

Wine Brands

Percentage who have bought the following wine brands (past three months)

		2021	2025	Tracking
1	Jacob's Creek	22%	25%	→
2	Penfolds	18%	23%	↑
3	Brown Brothers	17%	18%	→
4	Yellow Tail	14%	17%	↑
5	Wolf Blass	13%	15%	→

↑/↓ = Statistically significantly higher/lower than 2021 at a 95% confidence level. Base: All Australian regular wine drinkers (n ≥ 1,000). Source: Vinitrac® Australia, July 2021 and July 2025 (n ≥ 1,000), Australian regular wine drinkers

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Tracking top 5s (2/2)

Consumption and purchasing habits are stable overall, but Pinot Grigio continues to increase in popularity among Australian wine drinkers, with a positive volume CAGR of 16.3% since 2023

Red Wine Varietals

Percentage who have drunk the following varietals (past six months)

		2021	2025	Tracking
1	Shiraz/Syrah	44%	44%	→
2	Cabernet Sauvignon	40%	38%	→
3	Merlot	39%	37%	→
4	Pinot Noir	34%	35%	→
5	Cabernet Sauvignon-Merlot blend	34%	32%	→

White Wine Varietals

Percentage who have drunk the following varietals (past six months)

		2021	2025	Tracking
1	Sauvignon Blanc	46%	49%	→
2	Chardonnay	38%	38%	→
3	Pinot Grigio/Pinot Gris	30%	34%	↑
4	Moscato	29%	28%	→
5	Riesling	26%	27%	→

Wine Buying Channels

Percentage who have bought wine from the following channels (past six months)

		2021	2025	Tracking
1	Local bottle shop	51%	49%	→
2	Supermarket-attached liquor store	47%	47%	→
3	Large national discount drinks store	30%	32%	→
4	Online retailer	19%	16%	→
5	Specialist wine shop	15%	16%	→

Wine Buying Retailers[1]

Percentage who mainly use the following retailers to buy wine

		2021	2025	Tracking
1	Dan Murphy's	49%	52%	→
2	BWS	44%	43%	→
3	Liquorland/Liquorland Express	28%	30%	→
4	Aldi	16%	13%	↓
5	First Choice Liquor	10%	10%	→

[1]Base: Those who buy wine in the off-premise. ↑/↓ = Statistically significantly higher/lower than 2021 at a 95% confidence level. Base: All Australian regular wine drinkers (n ≥ 1,000). Source: Vinitrac® Australia, July 2021 and July 2025 (n ≥ 1,000), Australian regular wine drinkers

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Appendix

Research methodology

Quantitative

- The data was collected in Australia since March 2016
- The following waves July 2019, July 2021, July 2023 and July 2024 were tracked against July 2025
- Data was gathered via a Vinitrac® online survey
- Respondents were screened to ensure that they were at least 18 years old; drank red, white or rosé wine at least once a month; and bought wine in the off-premise or in the on-premise
- Invalid respondents (those who sped through the survey or gave inconsistent answers to selected questions) were removed before analysis
- The data is representative of Australian regular wine drinkers in terms of gender*, age and region
- The distribution of the sample is shown in the table:

		Jul-19	Jul-21	Jul-23	Jul-24	Jul-25
	n=	1,000	1,000	1,008	1,009	1,007
Gender*	Male	50%	58%	50%	51%	53%
	Female	50%	42%	50%	49%	47%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***
Age	18-24	13%	8%	7%	8%	10%
	25-34	19%	21%	20%	20%	20%
	35-44	16%	23%	20%	19%	20%
	45-54	15%	18%	16%	16%	16%
	55-64	16%	11%	14%	14%	14%
	65 and over	20%	18%	22%	22%	21%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***
Region	Australian Capital Territory	1%	2%	1%	2%	3%
	New South Wales	33%	36%	34%	34%	32%
	Northern Territory	2%	1%	1%	1%	1%
	Queensland	18%	19%	19%	19%	18%
	South Australia	7%	6%	6%	6%	7%
	Tasmania	1%	2%	2%	2%	2%
	Victoria	29%	25%	28%	27%	26%
	Western Australia	9%	9%	9%	10%	10%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***

**Please note that additional Gender categories were also surveyed. These categories fell naturally in the sample and were not enforced via quotas*

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Portraits in practice

Objectives

The Portraits segmentation model can be used to identify and understand target consumers, and to map on to brand, portfolio and channel strategies. Reading the report, it is important to note that each consumer group has its own needs and merits. Higher-value consumers may offer a tempting target because they tend to buy more expensive wines more frequently. On the other hand, they tend to have much broader product portfolios and the competition for their attention is intense. Lower-value consumers may shop for wine less often and spend less but can still represent significant opportunities for producers whose strengths align with value-oriented, consumer-friendly products.

Putting findings into practice

Once you have decided on your target and built an understanding of who these consumers are, there are a number of ways to apply this understanding to better target your key customers. In the past, wine companies have used Portraits to inform:

- Packaging and label design
- Brand positioning
- Advertising and marketing communications
- Channel strategy
- In-store positioning and layout

Over the years our clients have used the Portraits report series in a variety of ways to target their high-potential consumers. Here are a few examples of how this consumer segmentation can be used to develop more tailored wine business strategies.

Portfolio strategy

The first step when selling a product to the Australian market is deciding who the target consumers are. Wine companies have used Australia Portraits to assess where their market opportunity lies by determining to whom their products might appeal, and to design an overall portfolio strategy that is targeted at these consumers.

Brand health assessment among target Portrait groups

Vinitrac® – our global online wine drinker survey – allows IWSR to assess brand health among both overall Australian regular wine drinkers and within specific Portraits segments, including looking at trends over time. This can be used to understand with which consumers a brand is strongest and weakest, and to assess competitive positioning among target consumers.

When looking to explore how consumers react to a product's branding in more depth, and what conscious and unconscious associations they have with the product, we often conduct focus groups with consumers from targeted Portrait segments, which allows us to build a deeper understanding not only of how the brand is viewed in general, but also how it fits into the wine drinking habits of the specific consumers for whom it is intended.

New product testing

Newly developed products can be tested with target consumers in a variety of ways. In addition to focus groups, wine companies often ask us to test their products with a larger sample of consumers through hall tests, where we recruit consumers from the target Portrait group to taste the product and provide their feedback on the taste and style.

Label and packaging testing

To assess how a label or packaging design is positioned relative to its competitors, or how a new label design is perceived by consumers, we often use a combination of focus groups with target consumers, to explore their reactions to the packaging, and label testing with a representative sample of Australian regular wine drinkers through our Vinitrac® survey platform. This allows us to see both how the packaging performs overall, and, importantly, how it performs among its core Portrait group.

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About **IWSR**



For more than 50 years, IWSR has been trusted by the leaders of global beverage alcohol businesses as an integral part of their strategic planning and decision-making processes.

We uniquely combine our proprietary longitudinal market data, consumer insights and AI-enhanced data science with valuable on-the-ground human intelligence, in more than 160 markets worldwide, to decipher what is really happening in the global beverage alcohol market.

With access to our data, clients from across the drinks industry – including multinational spirits, beer and wine businesses; packaging and ingredient manufacturers; distributors and financial institutions – plan their strategies and future investment with a reliable, consistent and complete understanding of the global landscape.

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