



Wine
Australia

Wine Category On-Premise Research Report

Wine Australia Summary

Introduction

Data from a number of sources indicates that wine consumption is declining significantly in the Australian on-premise channel. In response, Wine Australia commissioned Square Holes to undertake research to better understand the evolving role of wine in this channel.

The objectives of the study were to explore consumption behaviours, on-premise motivations, consumption barriers, decision drivers and attribute preferences across demographics, sub-channels and occasions. The aim being to equip Australian wine producers with actionable insights to remain relevant and competitive in a changing cultural and commercial landscape.

This market bulletin provides a summary of the report's key insights and recommendations.



Key insights

Consumption behaviours

Consumers are being more selective about on-premise outings in Australia. Drinking at home is significantly more common than venue visitation. Rising living costs and lingering post-COVID habits have made social outings more intentional and less frequent.

A broader cultural shift toward alcohol moderation and conscious lifestyle choices are also influencing consumption. Some are drinking less alcohol overall, often driven by a desire for better health, to avoid negative side effects, maintain control and feel good the next day. Sober curiosity and a more mindful approach to drinking is increasingly shaping behaviours when visiting on-premise venues. Socialising is no longer synonymous with alcohol (particular amongst younger age cohorts), with many being content to avoid alcohol all together on occasions,

On-premise preferences are shifting toward casual, value-driven, and socially comfortable venues. Consumers are choosing pubs, wine bars and casual restaurants for their affordability and relaxed vibe, reserving fine dining for special occasions.

Wine's traditional role as the cornerstone of on-premise dining is being challenged by the rise of cocktails and other beverages that offer greater visual appeal, personalisation and perceived value. Consumers are also becoming more discerning, prioritising overall value and experience rather than price alone.

Despite market headwinds, there is optimism for the wine category among the key participants in the on-premise. Wine continues to resonate where it is thoughtfully curated, visually engaging and aligned with evolving consumer tastes.





On-premise motivations

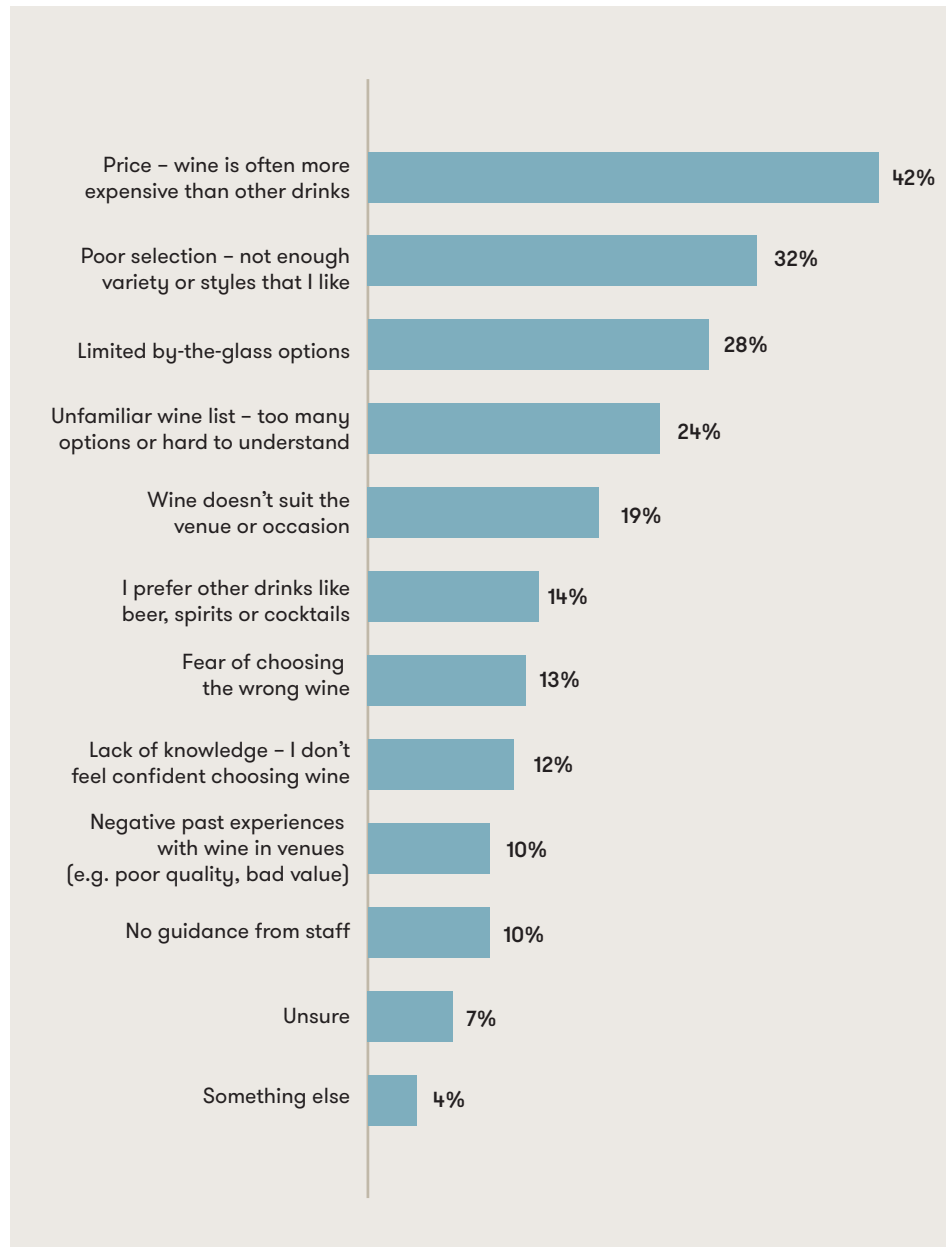
Consumers drink wine in the on-premise primarily when it aligns with food-focused occasions in curated venues like restaurants and wine bars, as well many special occasions (such as events / functions and family gatherings). Whilst some indicated a default preference of wine regardless of scenario, consumption for the majority is heavily occasion and context-driven.

Age significantly shapes wine engagement, with the connection to wine growing with age. Older consumers default to wine, while younger cohorts rely more on external cues. Consumers aged 60+ have the strongest wine connection, driven by taste, habit, and wine knowledge. In contrast, 18-29-year-olds often require guidance and are more influenced by venue type, social influence and pricing concerns.

The sub-channel setting plays a critical role - wine feels most appropriate in restaurants and wine bars, less so in fast-paced or informal venues. Millennials and older consumers associate wine with meals and curated settings, while younger drinkers avoid it in loud or busy environments (where they more often frequent), opting for simpler drinks. Wine is more likely chosen when it feels intentionally integrated into the overall venue experience.

The 18-29-year-olds mainly associate wine with planned occasions like dining out or celebrations, where wine adds a sense of occasion, but it is rarely a spontaneous choice. In lively, informal venues, wine feels a little out of place with this age cohort preferring spirits, cocktails or RTDs for their speed, simplicity and social ease.

Millennials are more open to trying new wine styles, but only at places like wine bars or quality restaurants. They also are moderating their alcohol intake, with drinking more selective and at a slower pace compared to when they were younger, saving for special or relaxed occasions.



Consumption barriers

Perceived cost, complexity, and limited variety are leading deterrents for wine consumption, with many consumers viewing wine as more expensive than other drinks, difficult to navigate due to unfamiliar or overwhelming wine lists and lacking sufficient by-the-glass or preferred style options.

The fear of making the wrong decision (particularly with cost-of-living increases) makes selecting a wine a higher risk proposition.

High mark-ups on wine lists can make wine feel poor value, especially compared with cocktails and their perceived “theatre”. Consumers often compare on-premise wine prices to retail benchmarks, reducing willingness to experiment.

Additionally, limited wine knowledge, complex menus and a lack of staff guidance can make it a harder choice. Consumers may opt for simpler, more approachable options that feel easier to navigate.

Younger consumers in particular view wine as a riskier option, with preferences for simpler, more familiar drinks like cocktails or beer, driven by ease of ordering, lack of wine knowledge and environments where wine feels less appropriate or integrated. For many younger consumers wine is seen as intimidating and not as fun as cocktails, beer and RTDs.

Ultimately, the main barrier is execution, not interest. Consumers still want wine, but staff discomfort, complex menus and poor presentation create friction. Simplified lists, basic training and clear storytelling are seen as low-effort, high-impact ways to convert interest into sales.

Figure 1; The biggest barriers to you ordering wine in on-premise venues

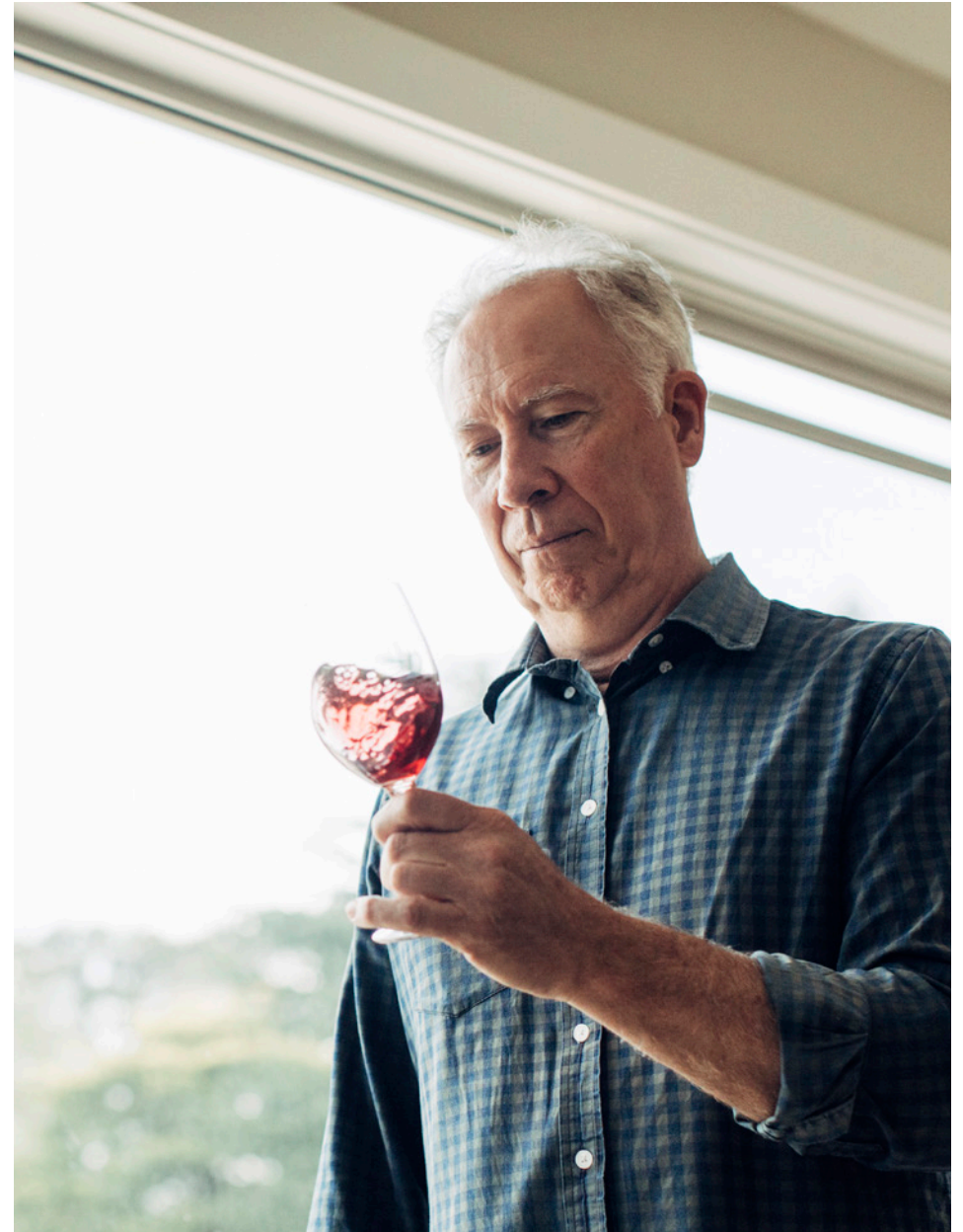
Decision drivers

Consumers make cautious, value-driven decisions based on familiar drinks and setting cues, with influence strongest when wine is confidently recommended by staff or meaningfully integrated into the venue experience.

Most on-premise consumers make spontaneous decisions of what type of drink to purchase, however, will stick to drinks they know they'll enjoy, driven by a strong desire to avoid wasting money. This cautious behaviour is consistent across age groups and reflects a broader focus on value, health and mindful consumption.

Staff influence is significant but often underutilised, as limited wine knowledge and confidence among frontline teams can hinder recommendations, pushing consumers (especially younger or less confident drinkers) toward simpler alternatives.

When wine feels integrated into the venue's atmosphere (e.g. curated lists, wine racks, fine dining) it gains relevance. Promotions (e.g. happy hour, tastings) and ceremonial elements like bottle service also enhance appeal by reducing risk and adding value to the experience.



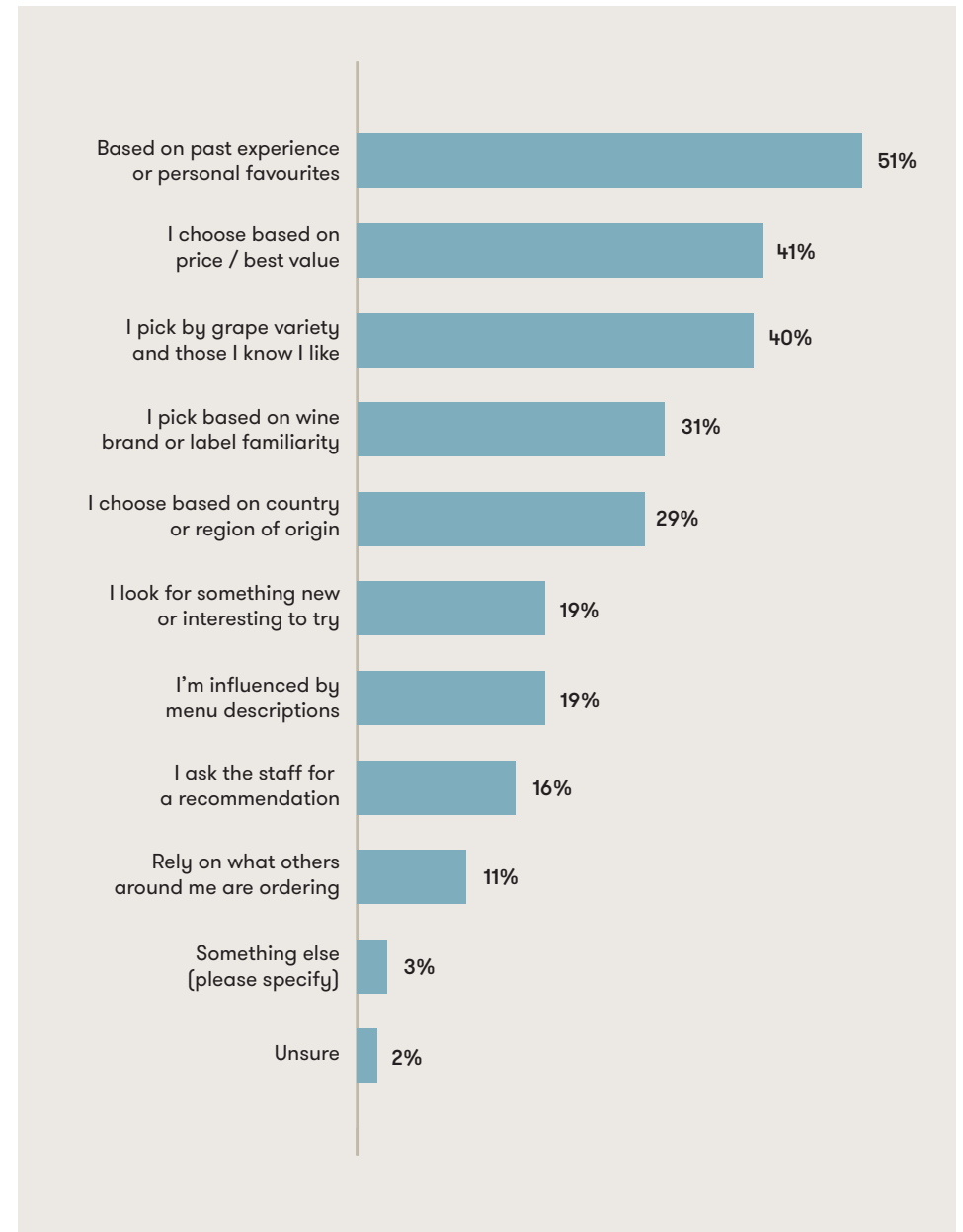
Attribute priorities

Wine selection is driven by familiarity, value, and grape variety - especially among regular wine consumers. Over half of consumers choose wine based on personal favourites or past experiences, followed by price and grape variety. More frequent wine drinkers lean on grape and origin attributes, while occasional drinkers prioritise value.

Age and drinking frequency shape wine decision drivers, with younger consumers more brand-driven and older groups guided by variety and origin. Younger age groups (18–29) show stronger reliance on brand familiarity and menu cues, while older consumers (60+) place higher importance on grape variety and region. Less frequent wine drinkers are more sensitive to pricing and promotions.

The quality and clarity of wine offerings matter most across channels, but support tools like QR codes and staff influence vary by demographic. Quality and range are the top attributes yet QR codes (as a means to promote wine ordering) divide opinions, positively influencing under-40s, but deterring 60+ groups. Staff knowledge and venue expertise are less influential overall but can support less confident segments.

Figure 2: How consumers typically decide which wine to order



Key recommendations

To respond to these dynamics, the research outlines five strategic recommendations.

Simplifying wine experiences and improving staff confidence to overcome capability gaps

The report suggests simplifying how wine is described to make wine more approachable, particularly for consumers unfamiliar with varietals or wine regions. One action is to increase the focus on taste profiles and food pairings and lessen the reliance on regions or varietals. Other categories like beer and cocktails succeed by offering simplicity, fun and clear, relatable descriptors. This will help make wine feel more approachable to younger consumers in the absence of trusted or knowledgeable influencers. Specific actions for consideration include developing flavour-based wine list templates and effective staff training tools, replacing technical jargon with flavour-focused descriptors, and providing venues with cheat sheets, table talkers and QR-accessible wine guides.

Another suggestion is for wineries to work with venues to train staff to make wine simple and inviting. Frontline staff are key to improve wine sales and wine underperforms without staff support. Give them tools to confidently recommend wines in plain, relatable terms and connect them to menu items. Customers would feel more engaged with confident and clear recommendations. For example, offer reward-based venue training modules and co-design programs aligned with current demand.

Adapting wine formats and activating at point of sale to better fit casual and diverse contexts.

Wineries may consider introducing or increasing non-traditional formats like cans, 200ml bottles and wine-on-tap to help wine feel more relaxed and group friendly. In addition, by-the-glass options can assist exploration to help lower the barrier to trial, making wine feel less risky, particularly for consumers who are still discovering their preferences. These alternative formats are more suited to higher tempo venues and improve ease of service and potentially profitability. They also offer the consumer convenience and better suit lower-commitment occasions.

The introduction of activation tools at point of sale such as tent cards, table talkers, food and wine pairing specials, and other venue promotions will also help improve wine sales in the on-premise channel.

Boosting consumer motivation through value-driven, taste and storytelling-led approaches.

Modern consumers want more than just a product – they're seeking meaning, connection and authenticity. While wine is rich in heritage, it often struggles to engage younger audiences who prioritise relatability and lifestyle over tradition. Spirits brands have been more successful in this space, leveraging culture, storytelling and digital engagement to stay top of mind.

Thus, the report recommends telling better stories behind the wine to connect with the consumer through place and story. Younger drinkers are drawn to storytelling about the winemaker, the region, or sustainability.

But the stories need to be communicated in ways that resonate with today's drinkers. This means moving beyond technical language and embracing visual content, social platforms and immersive in-venue experiences that bring wine to life. By focusing on authenticity, simplifying the message and positioning wine as part of a modern lifestyle, producers and venues can build stronger emotional connections and drive greater engagement, particularly among younger consumers.

The report suggests promoting wine through purpose-led messaging that feels modern and authentic, especially on social media or menus. For example, consider growth in suburban, regional and food-led venues, use storytelling tools like pairing maps, origin cards and QR codes, and launch social campaigns with short content and diverse voices.

Repositioning wine as a flexible, everyday / all occasion option

To attract more younger consumers into the category, the report recommends making wine more casual and social by integrating wine into everyday venues and occasions and normalising trials. Wine hasn't innovated sufficiently on a product level but also on ceremony level to bring in people who might not be engaged by the traditional approach. Thus, shift to promote wine rituals/experience around serving and consumption beyond the traditional offerings and position wine as something easy and enjoyable, not just for formal meals.

To grow sales in the on-premise, invest in product innovation to match changing consumer needs and tastes, particularly among younger (and health-conscious) consumers who are less engaged with wine than previous generations. Consumers are choosing drinks that are fun, fast and easy to understand and wine must compete on those terms.

To better connect with younger drinkers, consider more approachable styles such as spritzers, flavoured wines, chilled reds and lighter styles and promote these innovations through campaigns and tasting opportunities. Focus on making wine more accessible and suitable to evolving drinking occasions beyond specific special occasions and celebrations, especially in casual and suburban venues.

This doesn't mean compromising on quality. Instead, it's about presenting wines in formats and styles that resonate with a new generation. This is to encourage trial, enhance relevance and help the category compete and better align with current preferences in a changing drinks landscape.





Tailoring strategies by winery size and venue type

Venues today expect wine options tailored to their operational realities - whether that means private labels, smaller formats, or wine-on-tap systems. Standard retail offerings often don't suit the margin structures, service speed, or flexibility required in the on-premise environment.

When wineries and distributors co-create flexible, fit-for purpose solutions, they consistently see stronger engagement from the trade. For wine to succeed on-premise, it must be as simple to serve and sell as its competitors, such as beer and spirits. Collaborative product development, informed by venue needs, can position wine as a more strategic and sustainable part of the beverage mix.

This may involve wineries moving away from some legacy SKUs toward venue-specific or commercially driven offerings. However, there are difference strategies by winery size and venue type.

Small wineries

Smaller wineries are likely to be under the most pressure in the on-premise and face increasing challenges in competing with medium and large wineries. They may have challenges offering attractive economies of scale commercial terms to venue groups.

Therefore, the report suggests they should focus on authenticity and direct venue relationships. Success comes from visibility, agility and story-led engagement.

They should consider targeting independent or suburban venues, building personal connections, offering exclusive formats or support, and using storytelling and in-person engagement.

Medium-sized wineries

Medium-sized wineries generally work closely with distributors and may leverage their training and other programs. Their sales teams target groups and key segments or geographic areas. They need to align their portfolios and formats with the right venues and drinker needs.

Their priorities to consider include tailoring offers by venue type and channel, developing a deeper understand of venue and customer needs, aligning messaging to consumer demand, and new product innovation.

Larger wineries

Larger wineries are generally, highly proactive in working with on-premise venue groups and key segments, including undertaking their own data analytics, research and innovation programs. They have more resources to support and develop their sales teams. However, they could look to better leverage scale with relevant offerings and support venues with training, clarity and commercially viable offerings.

The priorities for larger wineries to consider include providing venue-friendly lists and support tools, investment in training and activation, streamlining portfolios for clarity and margin, and taking a holistic perspective for overall wine industry survival and growth in the domestic on-premise market.



Summary

Collectively, these insights and recommendations aim to help lead to greater relevance for wine in the Australian on-premise market by aligning the category with evolving consumer expectations, experiences and values.

There is no doubt that Australia's on-premise wine market is under pressure - driven by falling consumption, rising costs and growing competition from cocktails, RTDs, beer and other (non-alcohol) options.

The solution in improving wine's performance in the on-premise lies at the intersection of wine brands, distributors, on-premise venues and customers. Wine thrives when it delivers: value to the customer, commercial return for the venue and long-term brand equity for producers.

It's about mutual value creation - not just selling wine but fitting wine seamlessly into evolving consumption habits and cultural expectations. Trade terms, distributor relationships and venue alignment determine whether wine earns and sustains a spot on on-premise lists. But the battleground is getting crowded. Compelling alternatives such as cocktails and RTDs are winning share. Wine must assert relevance through positioning, familiarity and thoughtful presence.

Customers will pay for wine - but only if it feels worth it. That means affordable options or elevated experiences. Simplicity, flexibility and staff support are key to unlocking trial and loyalty, as are a solid wine selection (value to premium, by the glass and bottles), menus and otherwise - does the cost equal the experience.



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Note: data published in this report supercedes that in earlier reports. Minor variations in reported figures can occur due to data revisions.

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About Wine Australia

Wine Australia supports a competitive wine sector by investing in research, development and adoption (RDA), growing domestic and international markets, and protecting the reputation of Australian wine.

Wine Australia is an Australian Commonwealth Government statutory authority, established under the Wine Australia Act 2013, and funded by grape growers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for R&I investments.