

China's Beverage Alcohol Market Shifts Towards Casual Consumption, Opening New Growth Opportunities

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China's beverage alcohol market is undergoing a significant transformation as changing consumer lifestyles reshape drinking habits, according to the latest analysis by IWSR. While the market continues to face headwinds from declining business entertainment and gifting occasions, new opportunities are emerging in categories aligned with younger consumers, home consumption, and convenience-driven purchasing.

After a challenging 2025, when total beverage alcohol (TBA) volumes declined by 4 per cent, the market is showing signs of stabilisation in 2026. Although traditional categories such as baijiu continue to contract, imported white spirits, ready-to-drink (RTD) beverages, premium beer, and select whisky segments are recording encouraging growth.

According to Shirley Zhu, China Research Director at IWSR, alcohol consumption is shifting away from obligation-driven purchases towards personal enjoyment, casual social occasions, and value-conscious consumption. Younger legal drinking age (LDA) consumers are increasingly favouring cocktails, RTDs, and lighter alcoholic beverages, while home drinking and smaller social gatherings continue to gain popularity.

The evolution of retail channels is also playing a pivotal role. Convenience stores and China's rapidly expanding on-demand delivery (O2O) ecosystem are becoming key sales drivers, replacing traditional supermarkets and supporting demand for smaller pack sizes and ready-to-consume products.

Imported white spirits are among the strongest performers. Gin volumes grew by 20 per cent in 2025, while vodka and rum also posted double-digit gains, supported by the growing cocktail culture and wider availability across lower-tier cities. Whisky volumes increased by 3 per cent, aided by lower import tariffs introduced in early 2026 and continued consumer interest in Japanese, Irish, and entry-level Scotch whiskies.

The wine category remains under pressure, particularly red wine, which continues to decline due to its association with business gifting. However, white wine and sparkling wine are gradually gaining market share, driven by changing consumer preferences and casual dining occasions.

Despite ongoing structural challenges, including reduced government-related alcohol consumption and cautious consumer spending, IWSR believes brands that adapt to China's evolving consumption patterns, digital retail channels, and younger demographics will be well positioned to capture future growth in one of the world's largest beverage alcohol markets.