The US On Premise:
BevAl State of the Nation

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24%

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The US On Premise is an ultra-competitive landscape for beverage alcohol brands—and CGA by NIQ has the insights that are essential to stand out from the crowd and win.

Bars and restaurants are embedded in the social fabric of the US, providing unique and memorable experiences. Seven in ten **(71%)** consumers agree that they provide an atmosphere they can't replicate at home, while two thirds **(67%)** think they play an important role in celebrating special moments.

There are encouraging signs of confidence in the On Premise among individuals and operators alike. Three quarters **(77%)** of consumers have been out to eat in the last month, while half **(50%)** have been out to drink. More than a quarter **(28%)** plan to go out more often in the next month—double the number **(14%)** who will go out less.

Economic uncertainty may affect some of this spending in the second quarter—but consumers remain eager to prioritise the On Premise for their cash. A quarter **(24%)** say they would be prioritizing regular visits to bars and restaurants over the next three months—more than those prioritizing things like TV entertainment packages **(19%)**, international vacations **(17%)** and live entertainment **(17%)**. Reflecting this confidence, there has been an uptick in the US outlet universe, with restaurant, bar and nightclub numbers rising by **1.9%** in the 12 months to January 2025.

These positive findings highlight the scale of opportunities in the US On Premise—not just for sales but for discovery. Brands that generate trial in bars and restaurants are laying the ground for success in the Off Premise too, as three in five **(60%)** of those who enjoy a new drink in a venue say they actively seek it out for home consumption as well.

However, suppliers need an expert understanding of the who, why, where and how of On Premise spending to earn loyalty in 2025. CGA by NIQ's suite of sales measurement and consumer research datasets is here to help. Here are some of the key trends to track for success over the second quarter of 2025 and beyond.

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Craft beer dominates chain channels, with a third (33%) of category share

Chains in focus

Expert knowledge is particularly valuable in the chain sector. Dining outlets account for **91%** of chains' share, and casual dining brands hold **56%**, making it the largest sub-segment. Spirits have a **49%** share of total beverage alcohol sales in chains—more than the **46%** in the US On Premise as a whole. Sales velocity has been under pressure, but by adapting to category trends, spirits growth is achievable.

Within spirits, tequila is the number one choice in US chains, with a **27%** share—up by 0.6 percentage points year-on-year. Growth has come at the expense of vodka, whiskey and rum, which have all lost a little share. However, cordials have been the only segment in growth, thanks to wider distribution and their positioning as a proxy for cocktails. Other important trends include a polarization in pricing share, with both ultra and value tier spirits gaining at the expense of mid-level brands. State-by-state intelligence is meanwhile needed to understand subtle but significant variations—like strong growth for chains in New York and the outsized value of whiskey in Oregon.

In the beer category, craft dominates chain channels, with a third **(33%)** of category share—and even more in Pacific Coast states. Across US chains, imported beer is on the rise, having gained 1.2 percentage points of share year-on-year. Draft beer continues to take share from packaged and now has a **69%** share in chains.

Chains have an outsized value in wine, with **15%** of the category's outlets but **23%** of sales by value—though they were outperformed by independents in 2024, which suggests there is a need to improve engagement in chains. As with beer and spirits, a 'glocalized' approach is needed to fuse regional nuances with national scale, because some key states, including California, have been growing wine share at the expense of others like Florida. There are also variations in varietal preferences in chains, like French wine attracting double the average share in New York and Nevada.

Relative to these categories, ready to drink products have a small share of chains' beverage alcohol at just **1%** of total sales. But with year-on-year growth of **51%** and consumers embracing the convenience and portability of these products, it's one to watch in the coming months. High-energy venues like bars and clubs and states including Ohio, Florida and California have some of the highest potential. Innovation and new flavors will be needed for success in an increasingly competitive space for brand owners.

The importance of value

With many consumers concerned about rising costs and the economic outlook, perceptions of value are going to be important for all businesses in the US over the rest of 2025. Just over half **(52%)** of consumers say they are worse off financially than four years ago, and they have experienced **2.1%** inflation in On Premise beverage alcohol prices year-on-year.

There is a degree of appreciation that prices have to rise, and **83%** of consumers say they will continue to try using the On Premise as much as they can. However, they will want to be certain they will get the right value for money. Nearly half **(45%)** want to see more promotions, discounts or special deals in bars and restaurants this year. However, value doesn't necessarily have to mean a low price, and suppliers and venues have more levers to pull to show guests they are getting a high-value experience, like top service, unique options and special serves.

Premium preferences continue

While some consumers are sharply focused on value, many remain willing to spend on premium options. Nearly half **(46%)** say they are willing to pay extra for a better quality drink, and there is a clear preference among those with limited money for choosing fewer but higher quality drinks when they go out. However, with this number down year-on-year, brands need to provide exceptional experiences if they are to attract the premium spend.

Understanding precisely why consumers go premium is essential. Nearly a third **(31%)** of those who are willing to trade up say they are influenced by recommendations from family and friends, and drinks menus **(29%)** and descriptions **(24%)** are also important. Some of the most powerful drivers come from staff—especially bartender recommendations, which can influence **29%** of trade-up guests. Engagement and education of venue teams can give brands a head start to win these endorsements.

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Health concerns motivate spend

Another powerful trend at play in the US On Premise is health. Leading a healthy lifestyle is the third most important factor in US consumers' lives at the moment, and there are opportunities for brands to align with this priority.

A focus on health doesn't mean consumers aren't visiting the On Premise, but it is influencing their decisions. Nearly half **(47%)** say alcohol content is a factor in their drinks choices, and this is driving a growing number of people towards other categories **15%** have had non-alcoholic alternatives to beer, wine, spirits and cocktails in the last quarter, while four in five bartenders are adjusting their menus to accommodate moderation. As well as alcohol and calorie content, natural ingredients, transparency in production and sustainability are all increasingly important factors for these health-minded consumers.

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Matthew Crompton, CGA by NIQ's VP On Premise – Americas, said:

"The On Premise has a very special place in American life, and it should be at the core of every beverage alcohol strategy. But in a complex, ultra-competitive and fragmented market, where preferences change fast, it's more important than ever to get a 360-degree view of what consumers want. Our solutions can help piece together that picture and craft the insights that will be needed to craft compelling sales stories, identify opportunities and drive stocking, sales and share in the months ahead."

These insights are taken from CGA by NIQ's unrivalled suite of On Premise intelligence solutions. They include On Premise Measurement data and the On Premise User Survey, which combine to create a holistic view of the out-of-home beverage alcohol landscape and optimize brand strategies across the US.

To learn more, and discover opportunities to tailor analysis to specific brands, categories, channels and more, get in touch at www.cgastrategy.com

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