

Raising the Bar: *Strategies for Thriving in a Moderating BevAl World*

Breakout Session

The quest for *next*
Find your next growth opportunity



Raising the Bar: *Strategies for Thriving in a Moderating BevAl World*

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Top Objectives

- Uncover key drivers behind category decline—moderation, premiumization, economic pressures
- Identify emerging trends and white space opportunities in a declining volume market
- Understand the evolving shopper and consumer to bridge the gap between purchase behavior and consumption
- Build smart strategies for sustainability growth



Priority Discussion Points

- Drivers of moderation range from health & wellness focus, economic pressures and tariffs, and even premiumization
- Premiumization is still steady despite economic concerns
- Shoppers are shifting total store purchasing, impacting destination channels for Beverage Alcohol



Key Takeaways

- Focus on recruitment of new LDA audiences by engaging on their terms, while building loyalty through subsidization and ATL investment
- Understand consumer repertoires and connect authentically by aligning with their moderation mindset
- Drive differentiation by creating and owning new consumption occasions
- Address uneven wealth distribution with a balanced approach and localization



Agenda

Each section of the will include questions and interactive discussion

1

Meet our Panelists

2

Moderation in a modern marketplace

3

Premiumization with a purpose

4

Economic Pressures in an era of uncertainty

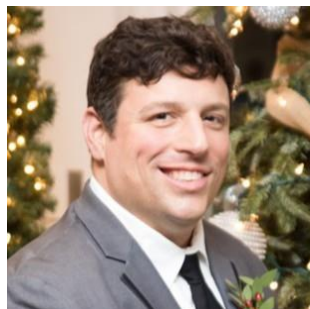
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Closing Thoughts

Meet Our Panelists



Joe Huffman
Director, Sales
Insights



Andrew Rabe
Senior Director, Data
and Governance



Kaleigh Theriault
Moderator



Three hot topics in Beverage Alcohol to keep us focused



Moderation

- Consumers are moderating due to health & wellness, GLP-1 medications, cannabis use, and cultural shifts, but continued interest in alcohol shows evolving drinking habits rather than declining relevance



Premiumization

- Consumers continue to gravitate toward high-quality, trusted alcohol brands. Premiumization is no longer about price alone but about perceived value—consumers are willing to pay more for quality, authenticity, and experience



Economic Pressures

- Rising costs, income disparity, and shifting shopper behaviors are pushing brands to rethink value—whether through pack size, promotions, or channel strategies—to retain relevance in a polarized market

Moderation



Let's define *Moderation*

Moderation impacts are leading to
Beverage Alcohol volume declines

Non Alcohol
Beer, Wine, and
Spirits

GLP-1s

Health &
Wellness

Tariffs

Premiumization

Surgeon General
Warning

Economic
Pressures

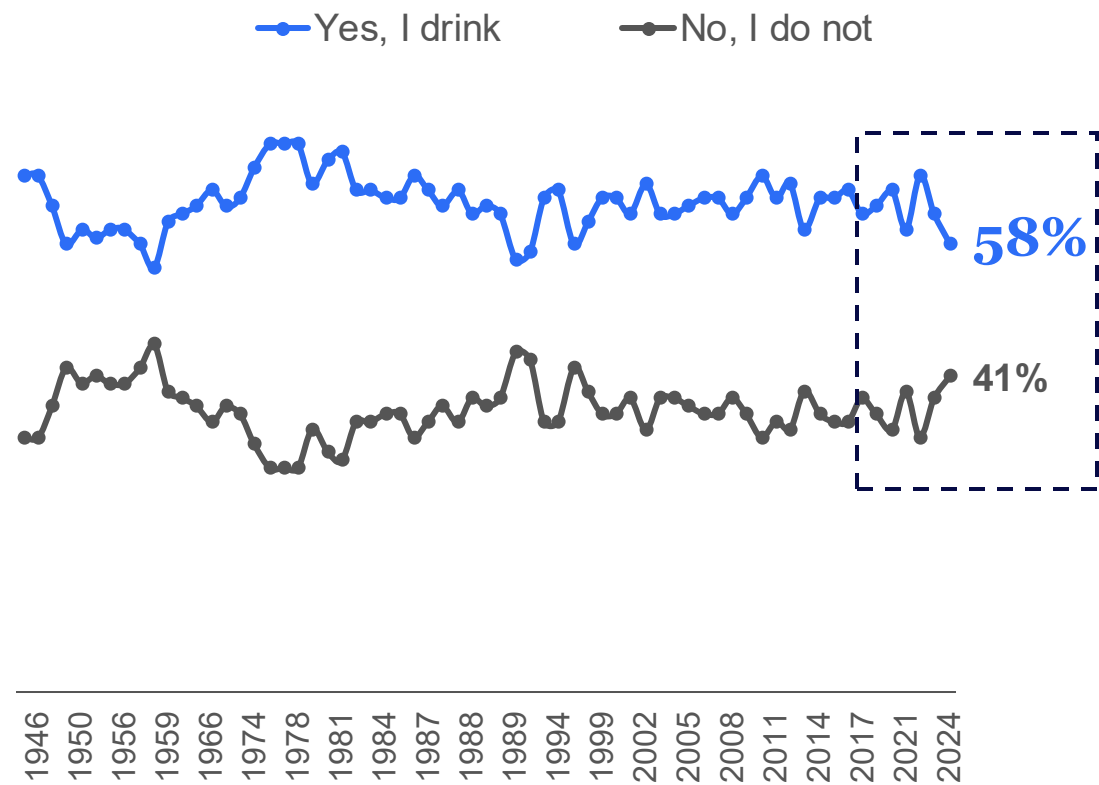
Dry January

Cannabis
Consumption



Despite moderation impacts, consumers still have a purpose for Beverage Alcohol

Do you have occasion to use alcoholic beverages such as liquor, wine or beer?



Gallup Survey 2024



Non Alcohol products are solidifying their place in the consumer repertoire

Non Alcohol Beer, Wine, and Spirits



93%

of *the buyers of Non Alcohol Beer, Wine, and Spirits* are also purchasing alcohol containing products.



47%

of On Premise visitors drink a *mix of alcohol and non-alcohol* alternatives in one visit, referred to as “zebra striping”

Source: CGA Vibe Presentation; CGA by NIQ US REACH April - May 2024. Sample: 1,243; OPUS 2024 US

ABV Proliferation in Beverage Alcohol: *Something for every occasion*

47% of On Premise consumers are likely to base their drink choice on **Alcohol Content**

Non Alc
Sparkling
French Bloom



Low Alc Beer
Small Beer



High ABV
Wine
1000 Stories



Non Alc
Beer
8 ZERO 5



Low Alc Wine
Chateau Ste
Michelle LIGHT



High ABV
FMBs
Voodoo Ranger
Hardcharged Tea

Premiumization



Good value remains the #1 factor for consumers when choosing a drink

And it's not slowing down...

It is not just value that consumers are seeking however, **trusted, and high-quality brands** also resonate

Compared to 12 months ago, it's now more important to me that my drink is...

+4pp vs 2023

#1 Good Value

High Quality

Trustworthy

My "Go To" Choice

Healthy

Source: CGA US REACH 2024. Sample: 1247 - 1252

Value = Quality

Consumers link value to quality rather than cheap, **revealing premiumization** potential by emphasizing product quality

Based on what I spend when I eat and drink out, value for money is...

Something that is good quality

Dependent on the item

Something that is worth its cost

Something well served

Something I'm happy to spend more on

A good deal

Something cheaper than expected

The experience that I receive

Something on offer/discounted

A cheap option

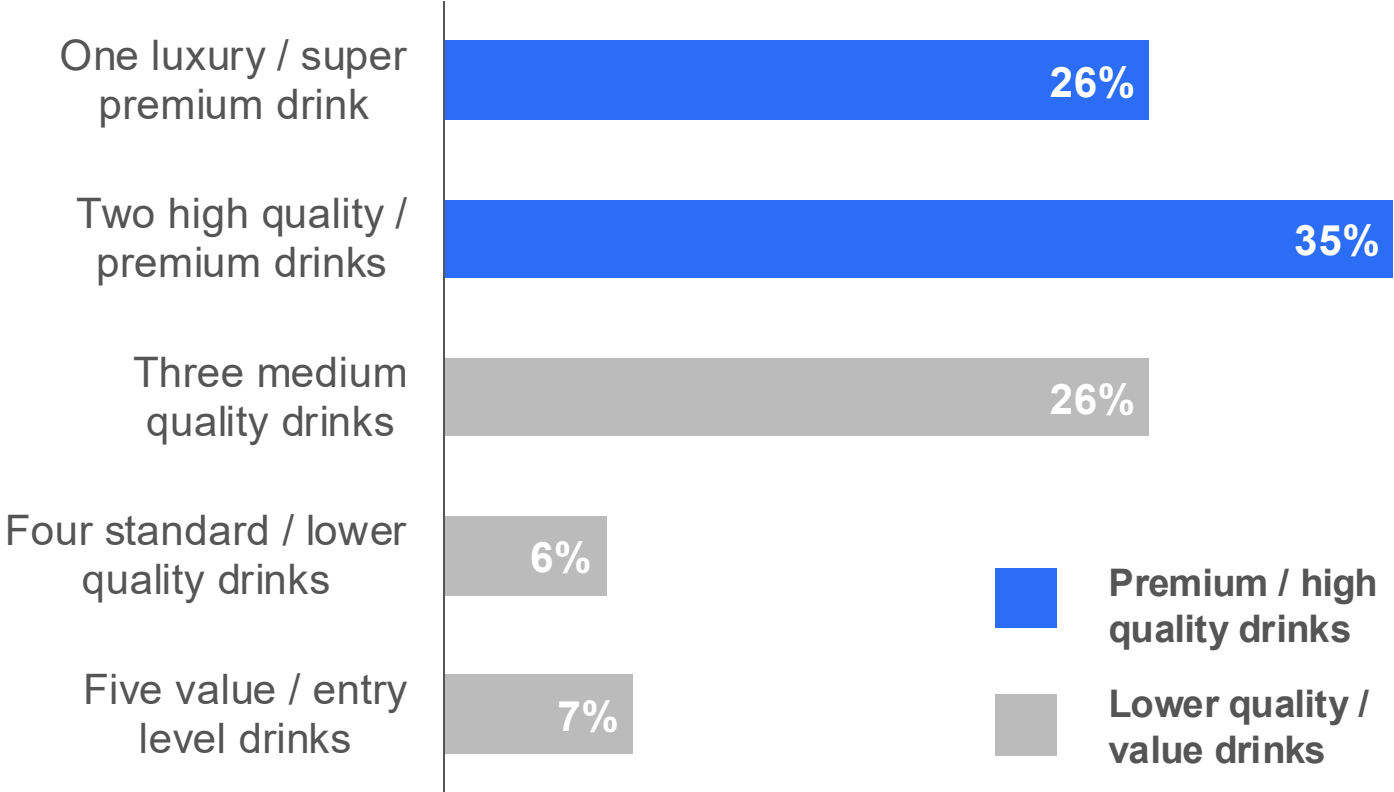
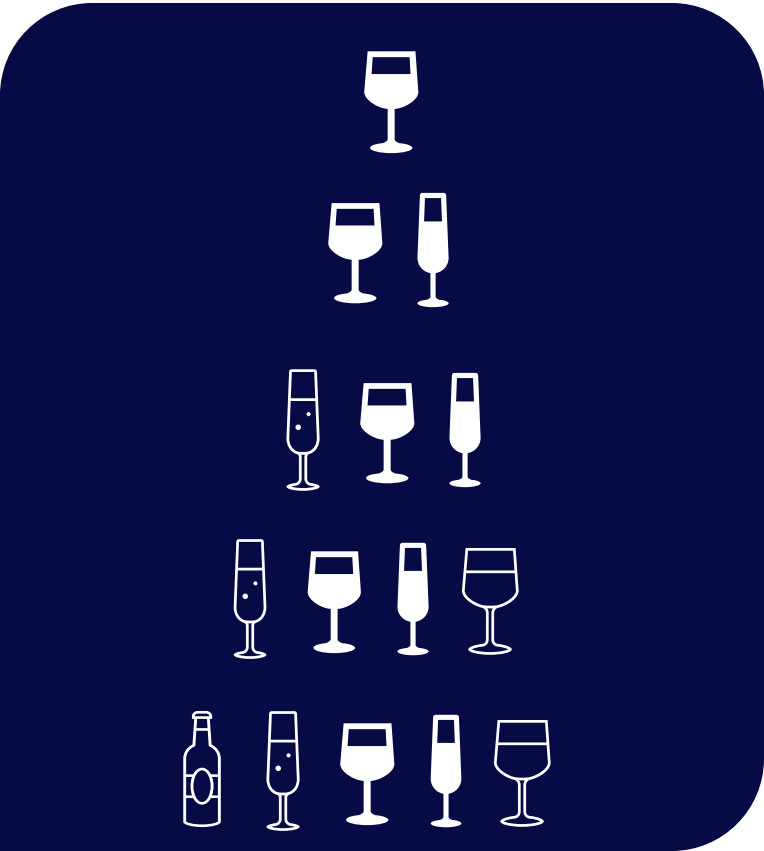
Receiving a large quantity/ portion size/ drink size

Dependent on the venue

*Source: CGA US REACH 2024. Sample: 1248; *The height of the bubble denotes importance

Despite ongoing financial polarization, there remains a preference for *‘less, but better’*

If you were choosing what to drink out, and the total of your bill was the same regardless of which option you picked, which of the following would you prefer?



Source: CGA US REACH 2024, 2023. Sample: 1243

Economic Pressures



Alongside lifestyle choices, *financial issues are impacting consumption*, creating a need to facilitate value elsewhere

You have said you are drinking less alcohol out than you were one year ago, why is this?



36%

I am trying to save money



34%

I am going out less



30%

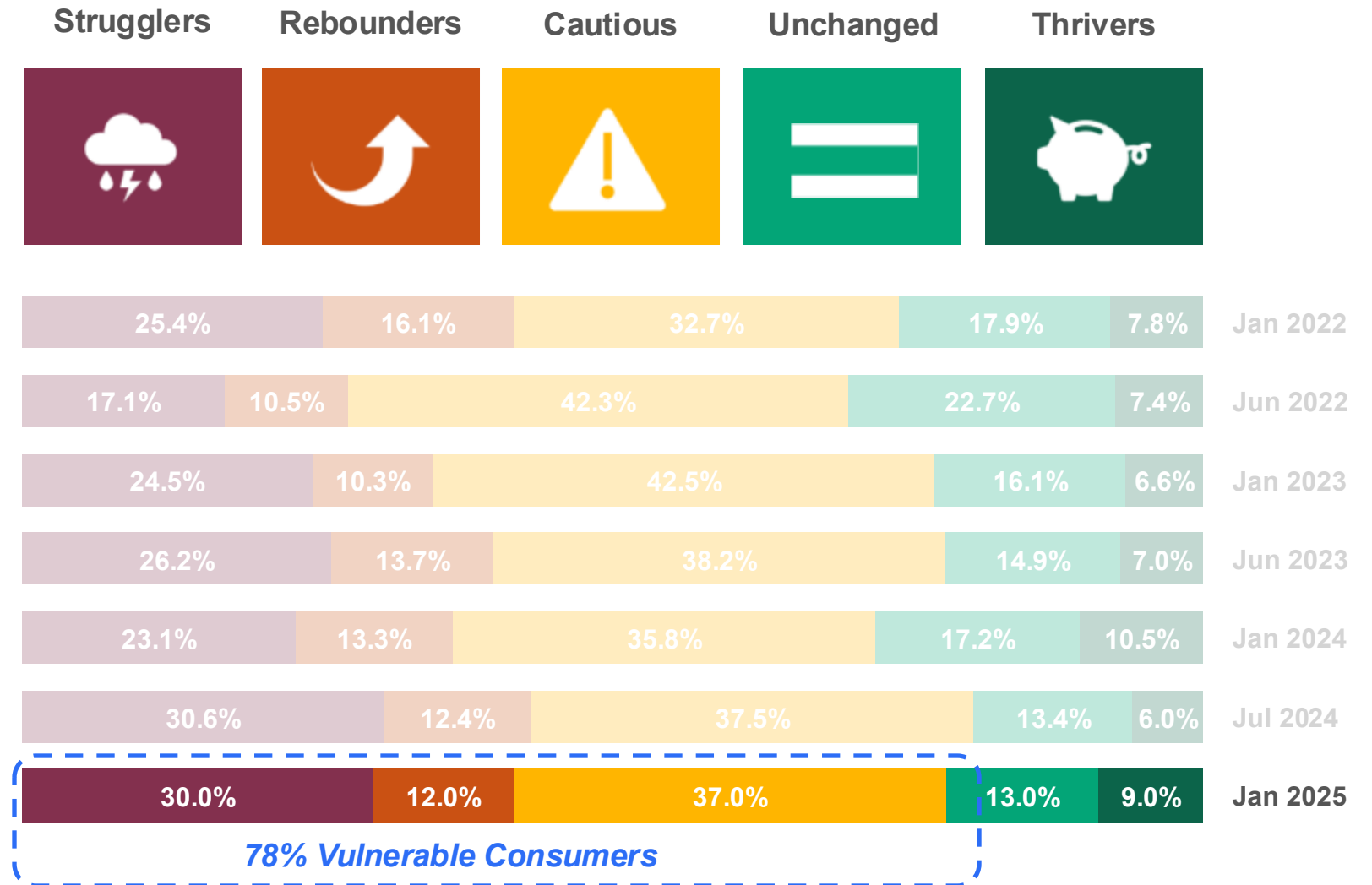
I am trying to be healthier

Source: CGA US REACH 2024. Sample: 352



Consumers feeling more challenged heading into 2025

The Economic Divide – Tracking financial situations and responses



Source: NIQ Consumer Outlook Report, Jan 2022 to Jul 2024, US Market

Where are your shoppers? *Meet your shoppers where they are*



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Closing Thoughts

- **Moderation is redefining consumption:** Health & Wellness behavior, Non Alcohol alternatives, and social movements like Dry January are contributing to moderation, resulting in volume declines—yet most consumers still include alcohol in their repertoire, requiring brands to adapt without losing relevance.
- **Premiumization persists as a consumer mindset:** Premiumization is evolving beyond just price. Consumers associate value with quality in combination with price. Even in a polarized economy, the “better but less” mindset is fueling growth of trusted, high-quality brands.
- **Economic pressures are reshaping purchasing behavior:** Inflation, income disparity, and shifting trip patterns (e.g., channel consolidation, click & collect) are influencing where and how consumers buy—requiring brands to meet them with convenience and value.
- **Growth will come from strategic adaptability:** Winning brands will recruit new LDA consumers authentically, create differentiated consumption occasions, and localize strategies to serve both high- and low-income shoppers. In a time of volume contraction, focus on core consumers brand loyalty and purchase metrics are key.





Thank you!

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NielsenIQ Beverage Alcohol Vertical



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