Non Alcohol:
A Billion Dollar Beverage

A deep dive into Non Alcohol Beer, Wine, and Spirits performance

NIQ Beverage Alcohol Vertical
Thought Leadership

August 2025

2025

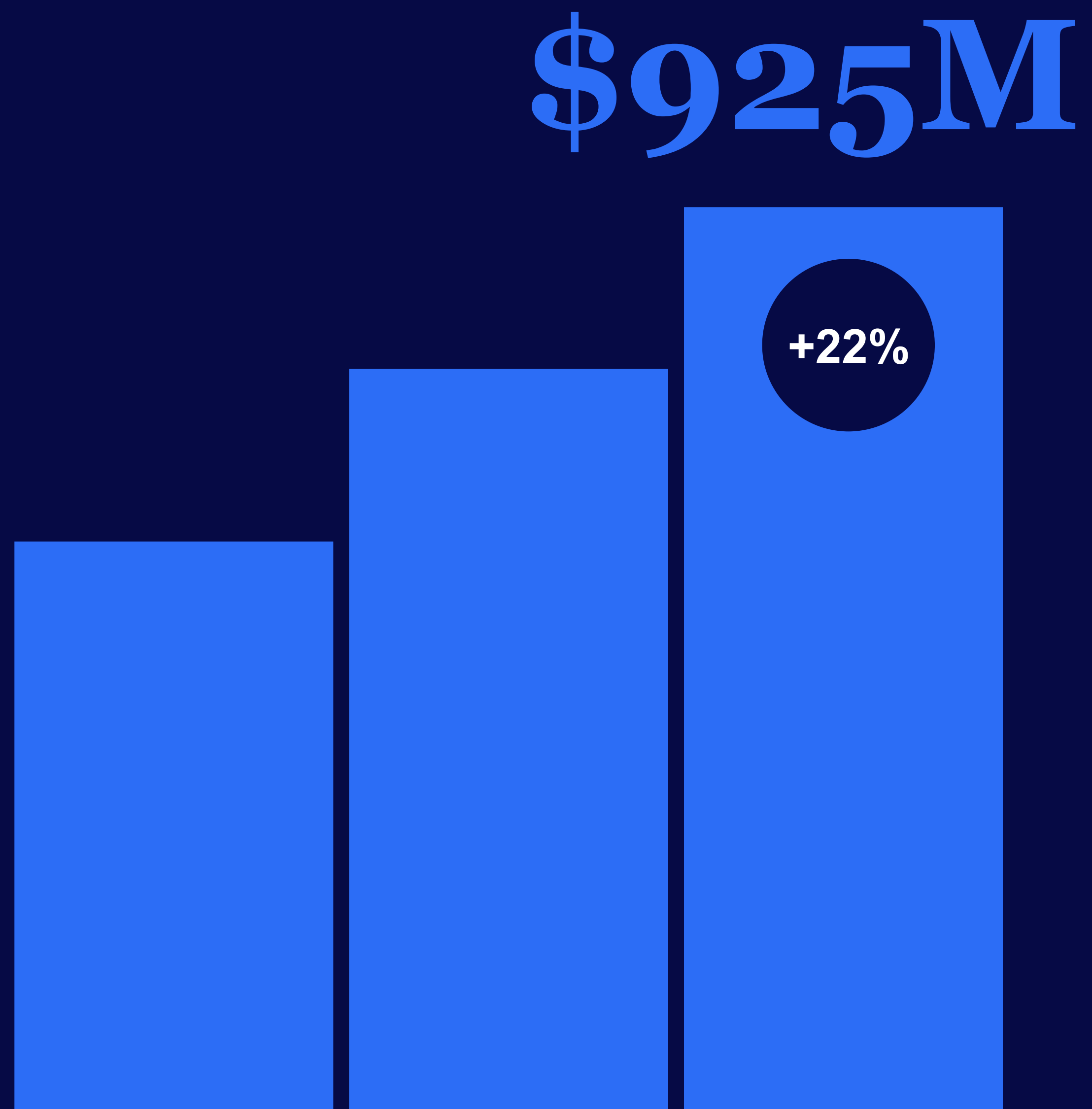
NIQ

Non Alcohol insights

Historically, **Non Alcohol** Beer, Wine, and Spirits products were primarily enjoyed during popular key sober holidays, like Dry January. However, in recent years, we have witnessed a sizeable increase in dollars of **Non Alcohol** products, making them a viable alternative for any occasion. Retailers and consumers are also taking note of this.

These products mimic traditional Beer, Wine, and Spirits product processes and flavor profiles, so it's no surprise the majority of **Non Alcohol** buyers also purchase alcohol-containing Beer, Wine, or Spirits. As consumer increasingly prioritize wellness and moderation in their daily routines, **Non Alcohol** products have become an appealing choice for those seeking to incorporate it into their alcohol consumption habits.

With a market value approaching $1 billion, in the off premise channels that NIQ tracks, and a robust 22% growth rate, **Non Alcohol** Beer, Wine, and Spirits are now a staple during all major drinking holidays, especially 4th of July and year-end celebrations.



Insights continued….

Non Alcohol products appeal to consumers through their flavors and opportunity to share in the social experience of drinking with others. Due to the high affiliation with every alcohol category, **Non Alcohol** interacts at high levels across most Beer, Wine, and Spirits categories. Over 92% of **Non Alcohol** buyers are also purchasing alcohol-containing Beer, Wine, and Spirits, meaning these buyers are highly engaged with Beverage Alcohol resulting in providing *more value* to total Alcohol.

In comparison to Beer, Wine, and Spirits categories, **Non Alcohol** loyalty is relatively low, with room to grow, similar to the past few years. Lower loyalty indicates that **Non Alcohol** is a part of the broader repertoire of the Alcohol consumer.

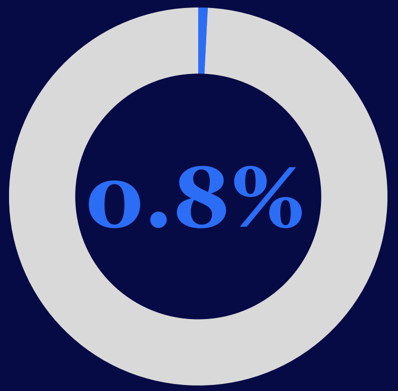
Understanding consumer motivations behind choices, moderation and opportunities for **Non Alcohol** products is key for the success of brands in the On and Off Premise.

Four Year Dollar Growth Trend

Non Alcohol products have consistently grown double digits over the past few years. Within the realm of **Non Alcohol**, each category is experiencing varied upward trends, with Non Alc Spirits surpassing Wine and Beer in terms of growth rate.

Share of Total Alcohol

Non Alcohol products currently account for 0.8% of total Alcohol. Although they remain a niche segment within the broader Alcohol industry, their market share experiences a significant boost during key sober holiday months, such as Dry January, Dry July, Sober October, etc.



The next 12-18 months… *The Building Blocks of Non Alc*

Solidify Brand Positioning	**Occasions and Channels**	**Innovate for Differentiation**	**Win the Mindshare Game**
Price with Confidence	**Data Driven Distribution**	**Strategic Partnerships**	**Future Proof Supply Chain**

See more detail and a checklist ***here***

Top Headlines

Telling the commercial insights story: *There are some incredible brand stories to tell in Non Alcohol. Macro insights can help support the brand sell in.*

Non Alcohol Beverages Are Becoming Any Occasion Choices

- Non Alcohol Beer, Wine, and Spirits are increasingly integrated into regular consumption patterns, with **74–79% of purchases consumed the same day**. Consumers are “zebra striping” with lower share of wallet indicating Non Alc is a part of the broader repertoire

Moderation Is a Cultural Shift, Not a Decline

- Driven by health, wellness, GLP-1 medications, cannabis use, and economic pressures, moderation is reshaping drinking habits. **92% of Non Alc buyers also purchase alcohol**, showcasing evolving preferences

Innovation and New Items are Driving Growth Across Segments

- Advances in flavor, format, and production have elevated product quality, making Non Alc feel premium and not a compromise

Distribution Is Evolving with a Stronger Selling Story

- Retailers are dedicating shelf space and endcaps to Non Alc products, treating them as **mainstream choices**. Planned and reminded purchases dominate, emphasizing the need for strong in-store visibility and brand recognition

Online and On Premise Are Key Growth Drivers

- Online Non Alc sales grew **+208% vs YA**, as these products can sell outside of the three tier system. In the On Premise, Non Alc Cocktails fall just behind Gin in popularity of choices for consumers. This dual-channel momentum highlights Non Alc versatility and appeal across occasions

Forecasts Point to a Multi-Billion Dollar Future

- With consistent double-digit growth and expanding household penetration, Non Alc will **exceed $1B in off premise sales by end of 2025**, signaling long-term viability

What's included

Non Alcohol *Agenda*

Non Alcohol Beer, Wine, & Spirits

Definition Debrief

Non Alcohol Beer, Wine, & Spirits	Non Alcohol Beer, Wine, & Spirits includes all products that mimic traditional Beer, Wine, and Spirits production processes and flavor profiles. These products are noted as “alcohol free” and “0%” though some products may contain less than 0.5% ABV.

Examples of Non Alcohol Beer, Wine, & Spirits products:

Note that the trends in this analysis include data in NIQ measured off premise channels (xAOC + Conv + Liquor channels). Non alcohol beer, wine, and spirits have the unique opportunity to sell outside of the 3 tier system

NIQ

Non Alcohol
Introduction

3 Hot Topics in BevAl

Front Half 2025 Influences

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

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

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

As consumers moderate alcohol consumption, ***interest in Non Alcohol Beer, Wine, and Spirits is growing.***

Non Alcohol can win with versatile positioning for any occasion. With 92% of buyers also purchasing alcohol, moderation is a structural shift. Innovation in flavor and format, online growth, and On Premise presence are fueling double digit growth for the category to ***surpass $1 billion by the end of 2025.***

NIQ

Let’s define *Moderation*

Moderation impacts are leading to Beverage Alcohol volume declines

Non Alcohol Beer, Wine, and Spirits

GLP-1s

Tariffs

Health & Wellness

Premiumization

Surgeon General Warning

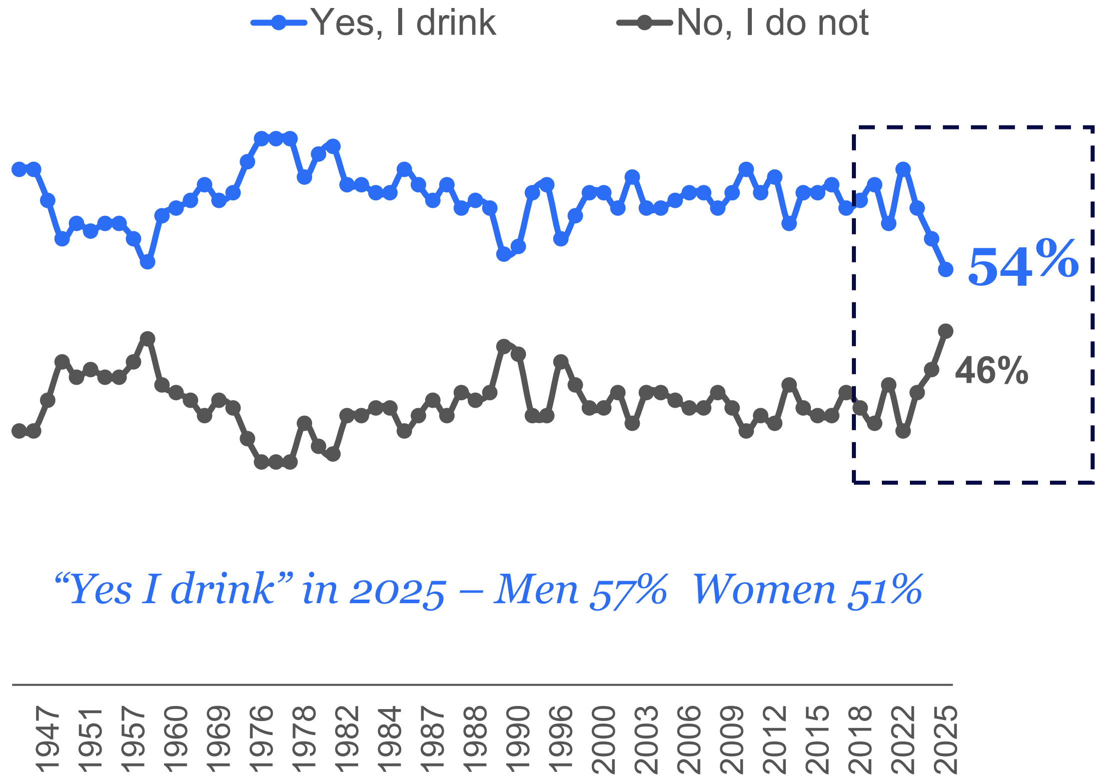
Economic Pressures

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?



"Yes I drink" in 2025 – Men 57% Women 51%

Gallup Survey July 2025

NIQ

$925M

Off premise **Non Alc sales** in the latest 52 weeks

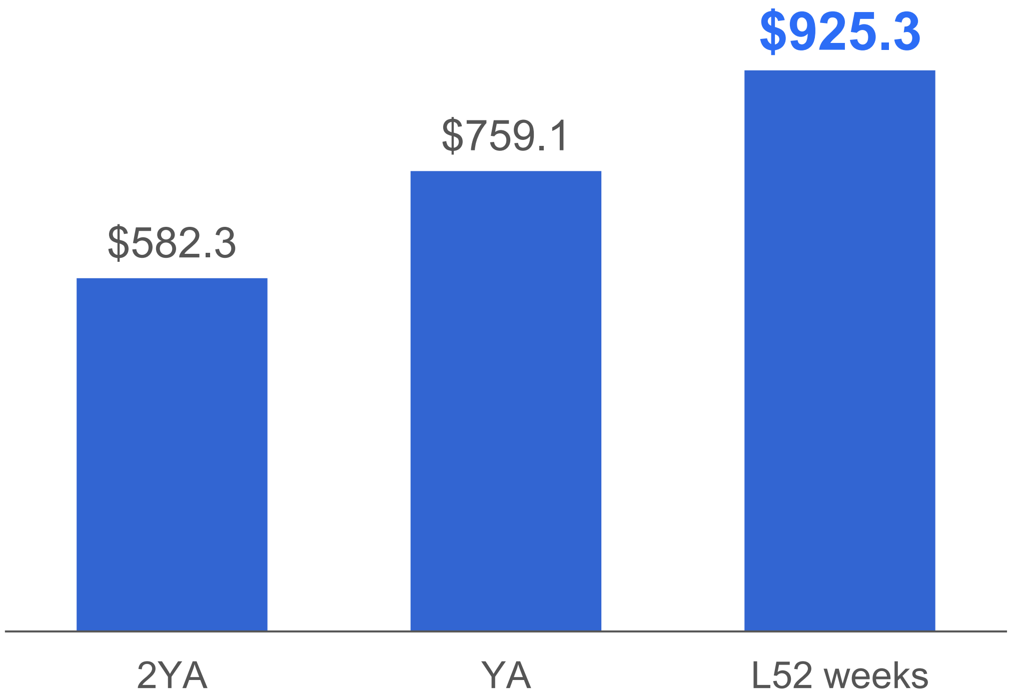
Up $166.2 million vs year ago | +21.9% vs year ago

Non alc is 0.8% sales of total alcohol

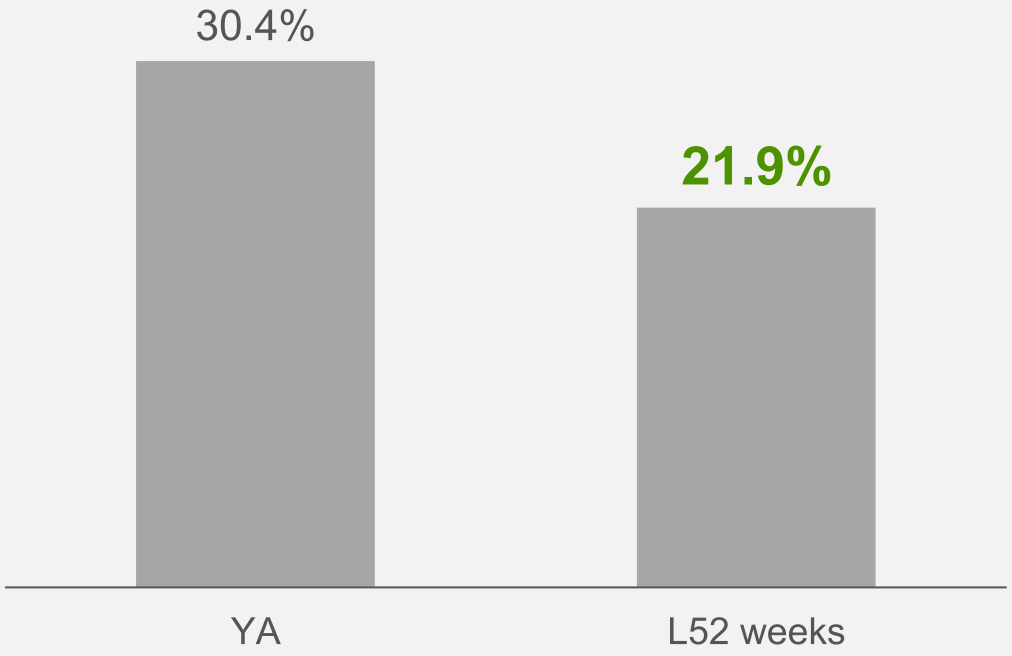
Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

Non Alc continuing to push double digit growth, approaching $1 billion in the Off Premise

Non Alc Trended Dollars (in millions)
NIQ Off Premise Channels



Non Alc Dollar % Change vs Year Ago
NIQ Off Premise Channels



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

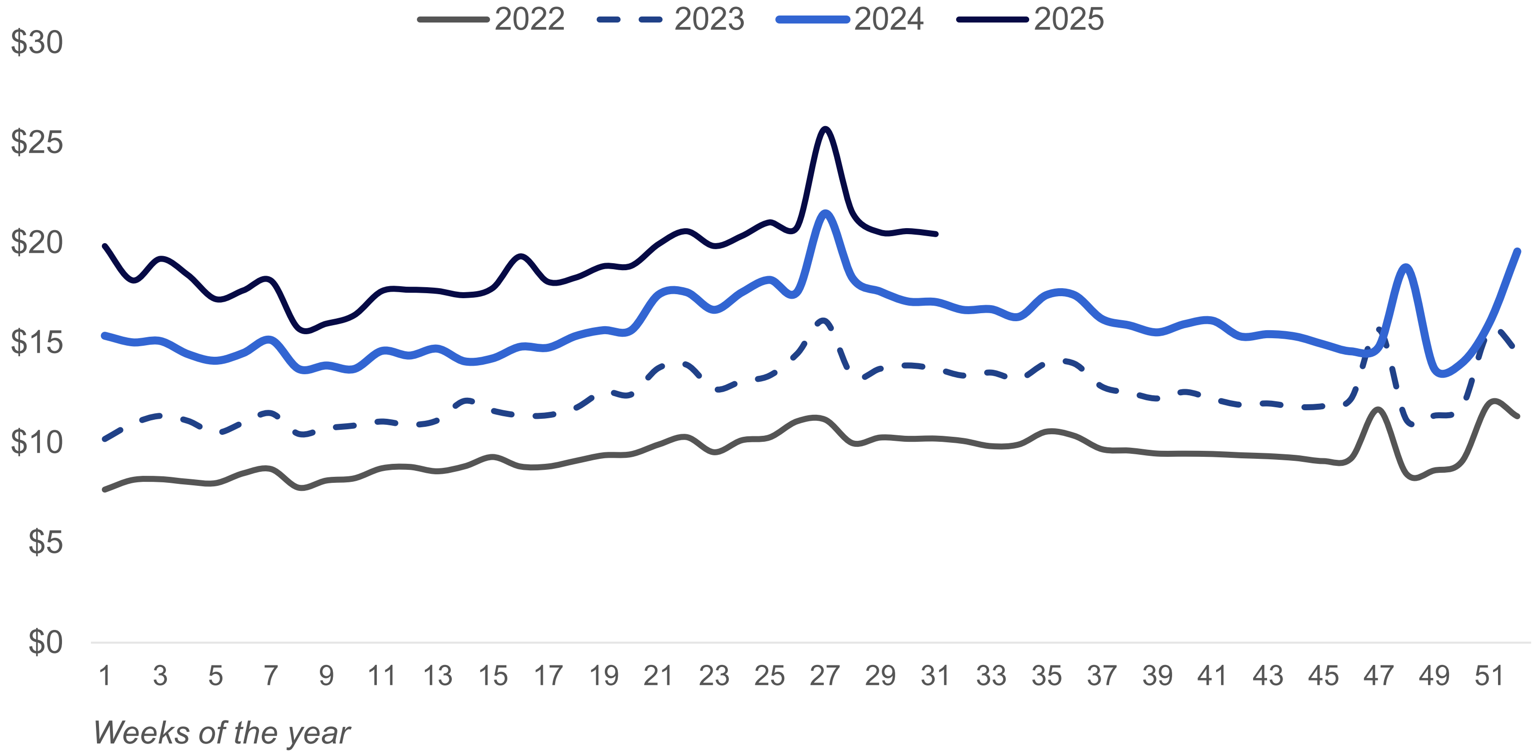
Total Non Alc dollar trend

Non Alc has seen solid measured growth that follows some patterns of all three mega categories

Off-premise **Non Alc** up **+21.9%**

In the latest 52 weeks vs year ago

Total Non Alc Weekly Dollars (millions)
NIQ Off Premise Channels

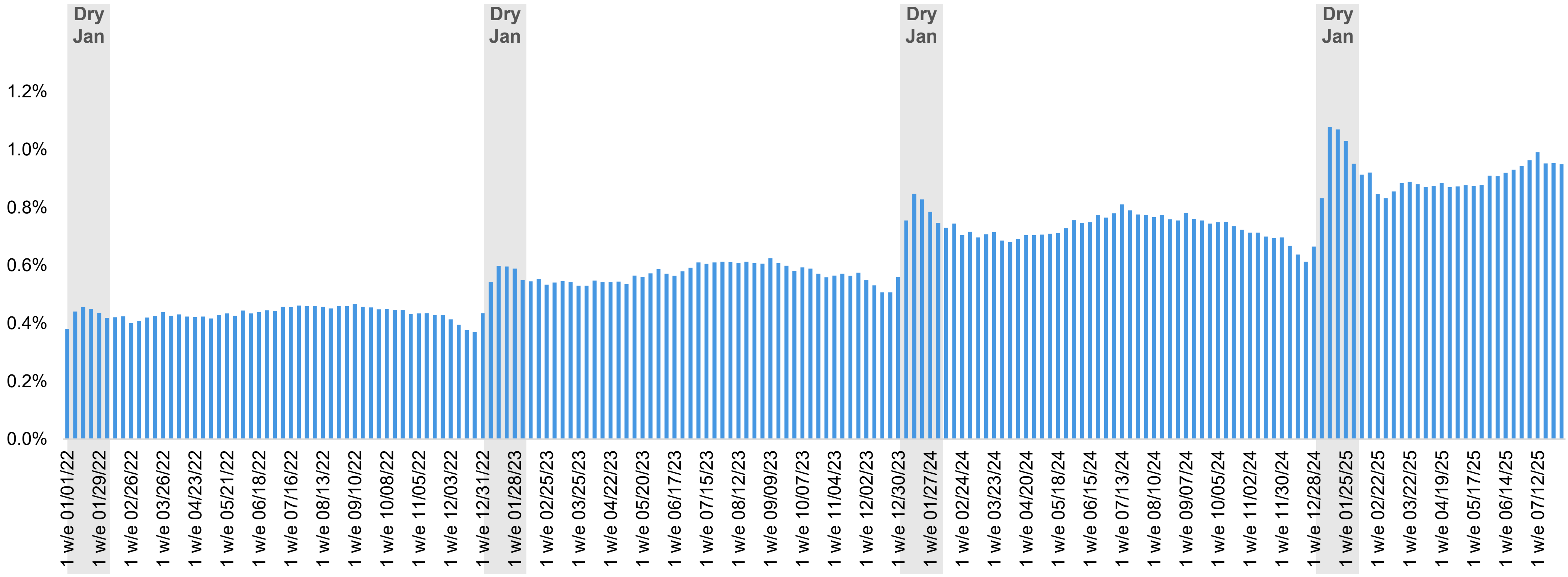


Source: NIQ Discover Integrated BWS Database; off-premise channels (xAOC+Conv+Liquor Open State); weekly data

Dry January continues to boost sales rates for Non Alc with clear residual benefits

Dry January is consumer centric, as well as other sober curious months: Dry July, Sober September, Sober October

Non Alc Weekly Dollar Share (% of total Alc)
NIQ Off Premise Channels

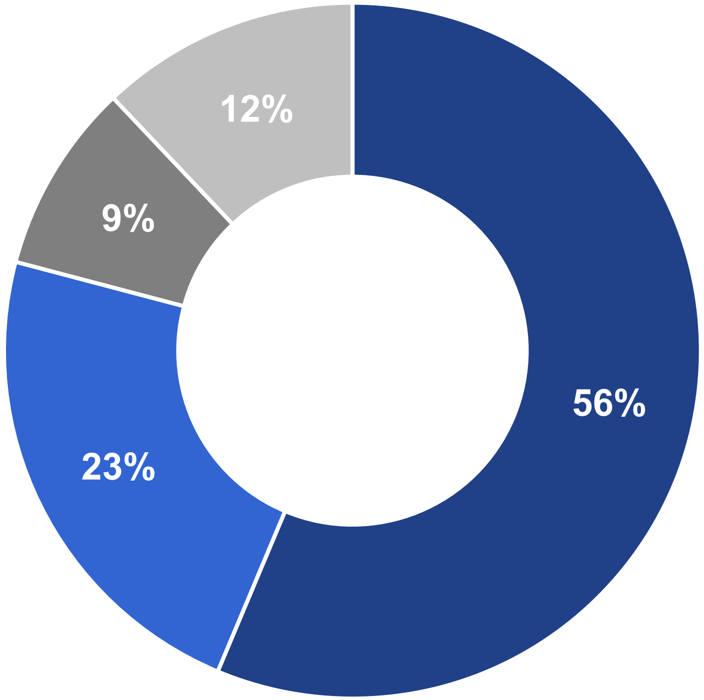


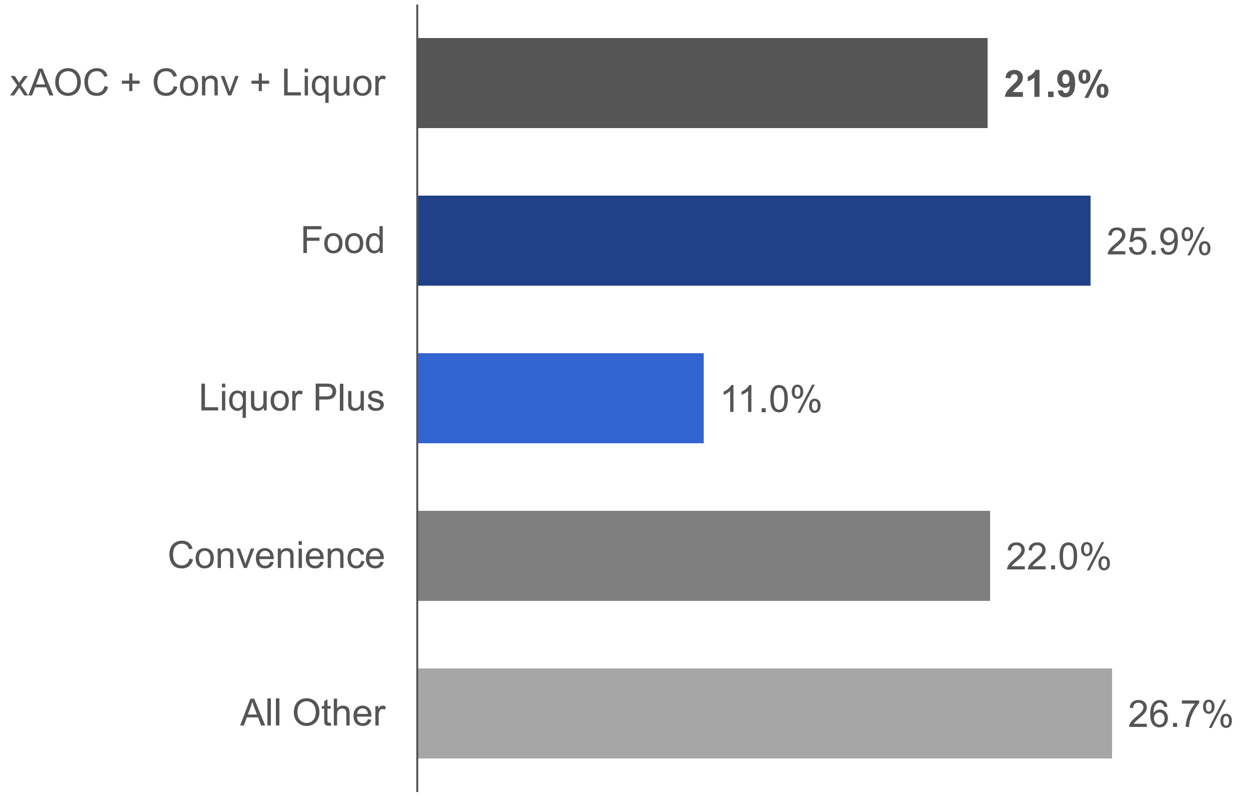
Source: NIQ off-premise channels (xAOC+Conv+Liquor Open State); weekly data

Food and Liquor channels are crucial for Non Alc, driving 77% of Non Alc growth

Non Alc does not face ‘where legal to sell’ restrictions challenges as other Beverage Alcohol categories do

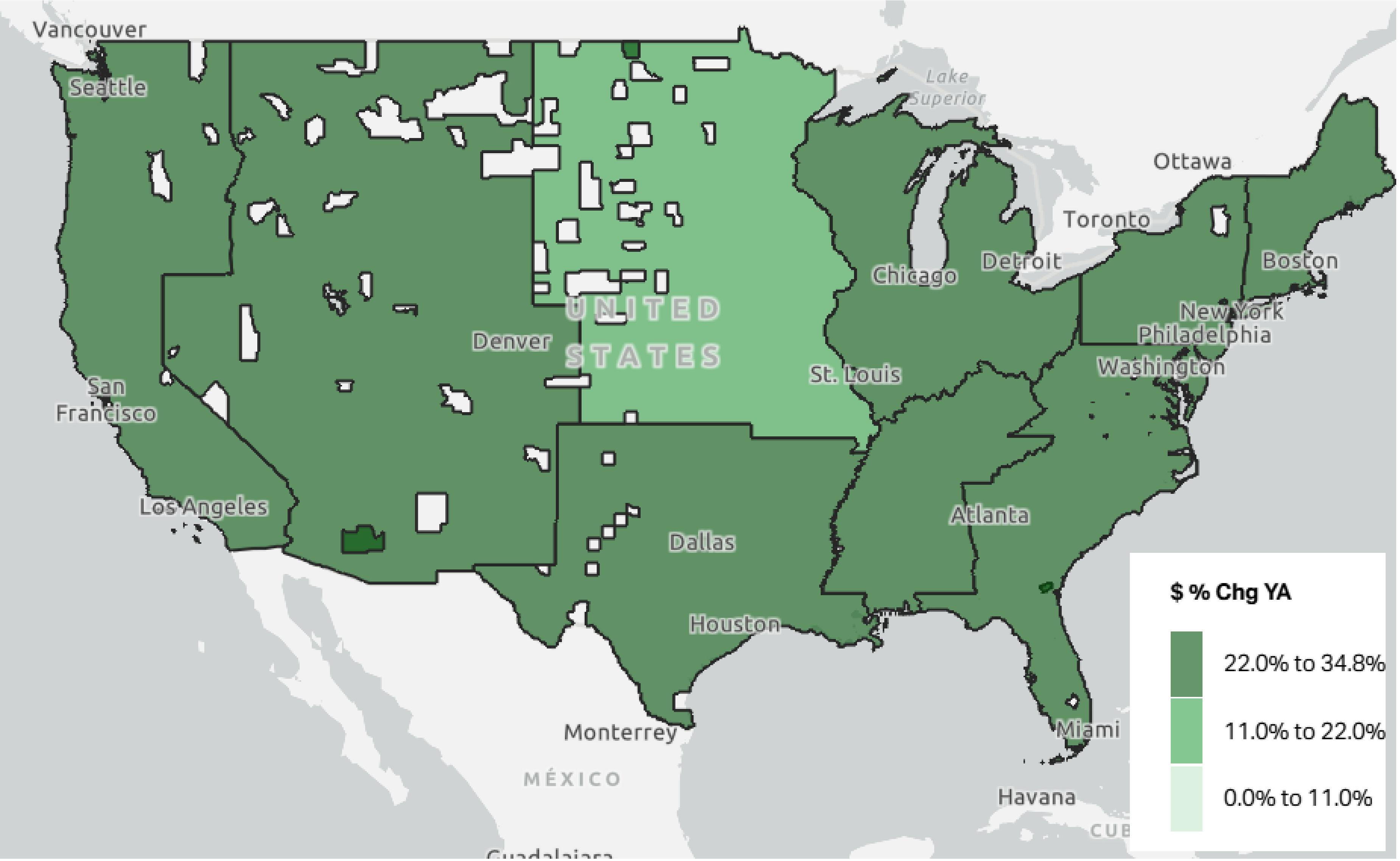
Total Non Alc – Channel Share
$ Share | % Change vs. Year Ago





Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

Non Alc is growing dollars across all 9 Divisions (xAOC+Conv) vs year ago



Source: NIQ Discover – US ALC Integrated –US Census Divisions xAOC+Conv = L52 W/E 8/2/2025 vs year ago

Consumer attraction covers all regions, but *five states* account for 37% of Non Alc dollars

"Must Win" states like California need special attention in terms of resources; a focus on population centers can pay off

Total Non Alc – Top 5 States*
$ | *% Change vs. Year Ago*

California

$128.7M | *+20.1% change vs year ago*

Texas

$70.0M | *+24.7% change vs year ago*

Florida

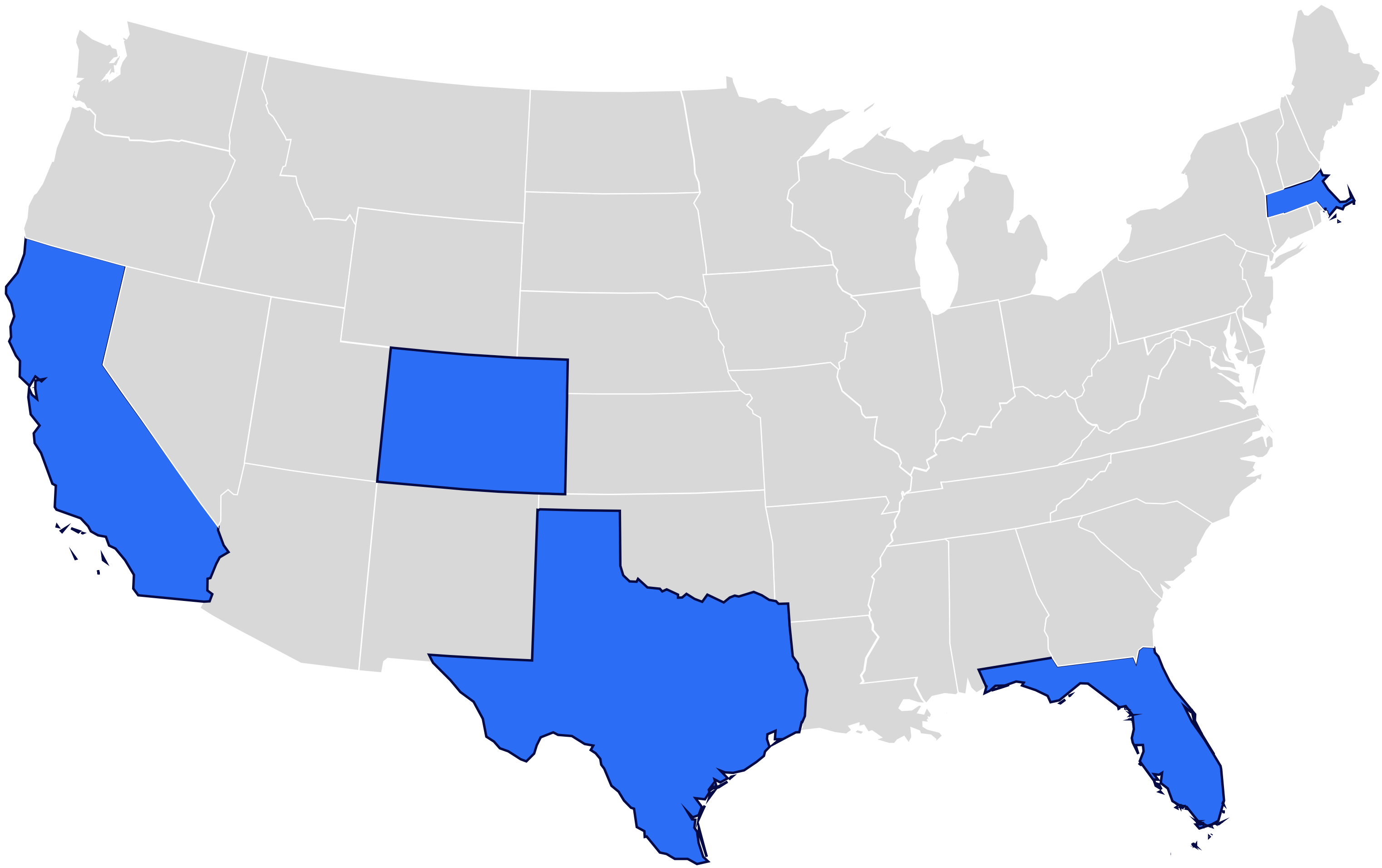
$63.9M | *+19.7% change vs year ago*

Colorado

$39.1M | *+16.2% change vs year ago*

Massachusetts

$37.6M | *+21.4% change vs year ago*



*California (CA xAOC+CA Conv+CA Liquor); Florida (FL xAOC Census+Liquor+FL Conv; does not include Publix Liquor), Texas (TX xAOC+Liuqor Cume ex Mltry+TX Conv); Ohio (OH xAOC+OH Conv), New York (NY xAOC Census+Liquor+NY Conv)
Source: NIQ Discover Integrated Database; Scan Off Premise Channels (xAOC+Conv+Liquor Open State); L52 weeks ending 8/2/2025

Non Alcohol products have a unique ability, compared to Alcohol-containing products, to sell online

+208%

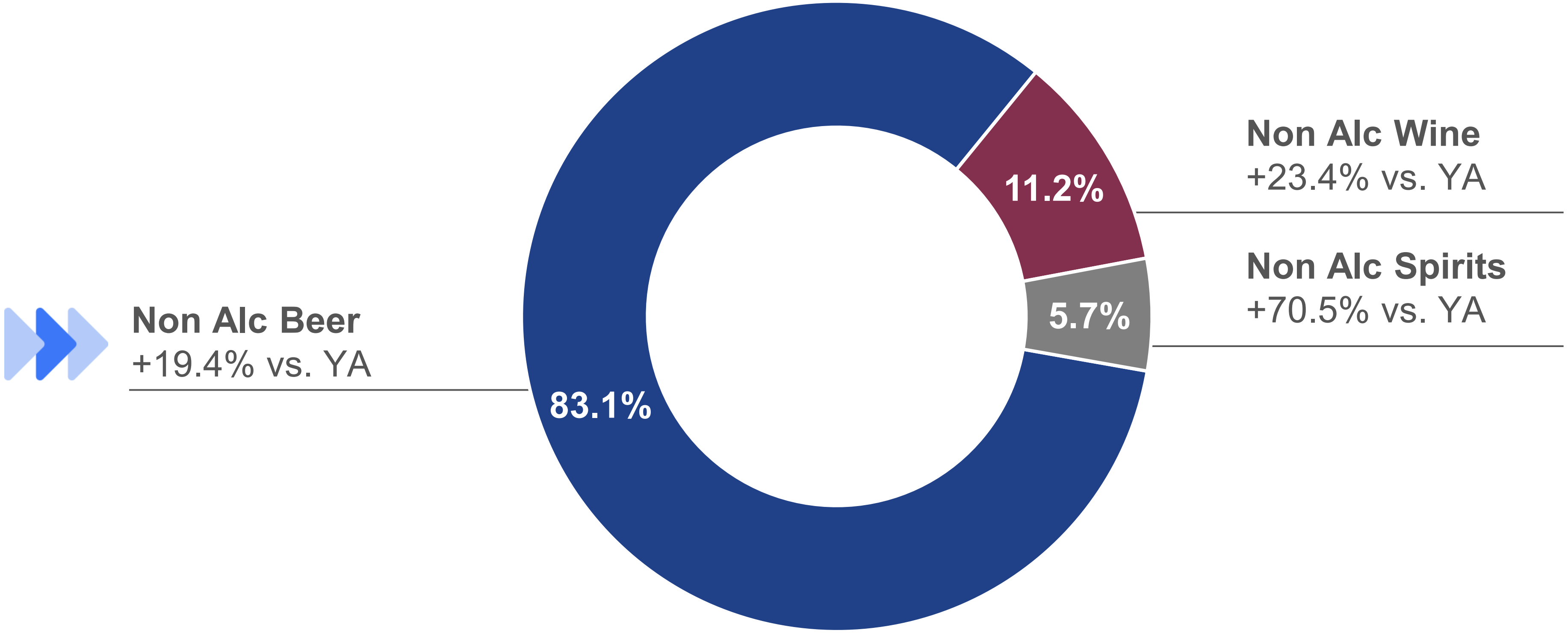
Increase in online ***Non Alcohol Beer, Wine, and Spirits*** dollars vs year ago

Source: NIQ Expanded Omnishopper Panel on Demand, BevAl Integrated 21+ database, Total U.S., Latest 52 weeks ended 7/12/2025 vs YA

Non Alcohol
Category Breakdown

All Non Alc segments are growing, with Non Alc Beer maintaining as the largest segment

Non Alc Beer, Wine, and Spirits Breakdown
NIQ Off Premise Channels

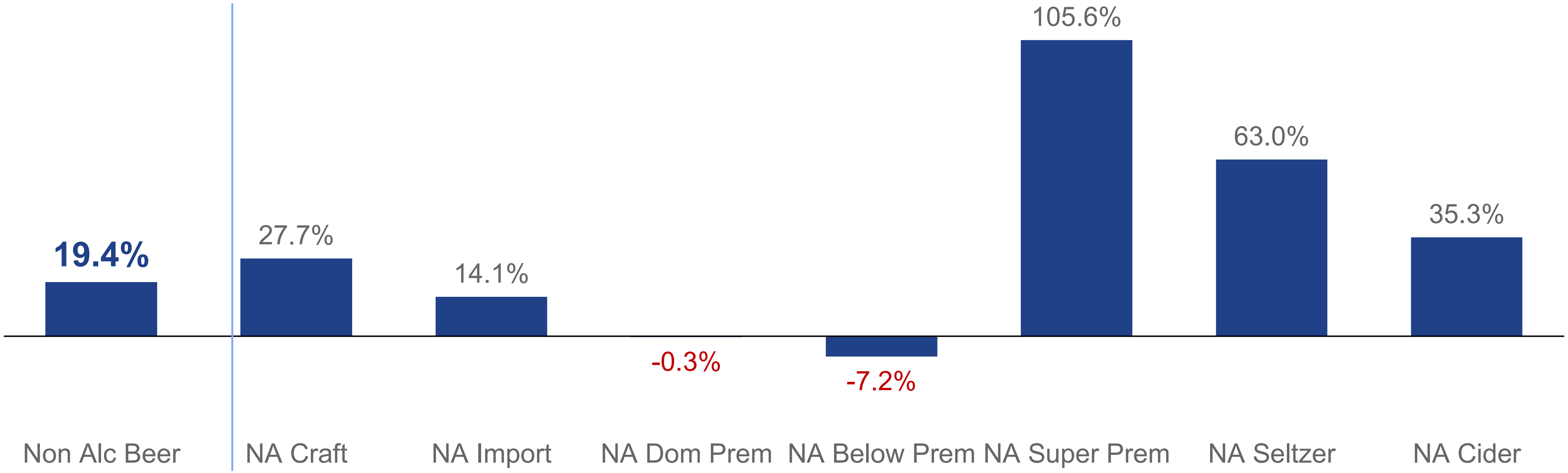


vs.
Alc Beer
-1.9% vs YA
Alc Wine
-3.8% vs YA
Alc Spirits
0.0% vs YA

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

Craft is over 1/3 of Non Alc Beer and continues to drive faster growth than the total segment

Non Alc Beer by Segment Dollars and Change vs Year Ago
NIQ Off Premise Channels



Dollar share of Non Alc Beer	38%	30%	12%	11%	9%	1%	0.5%

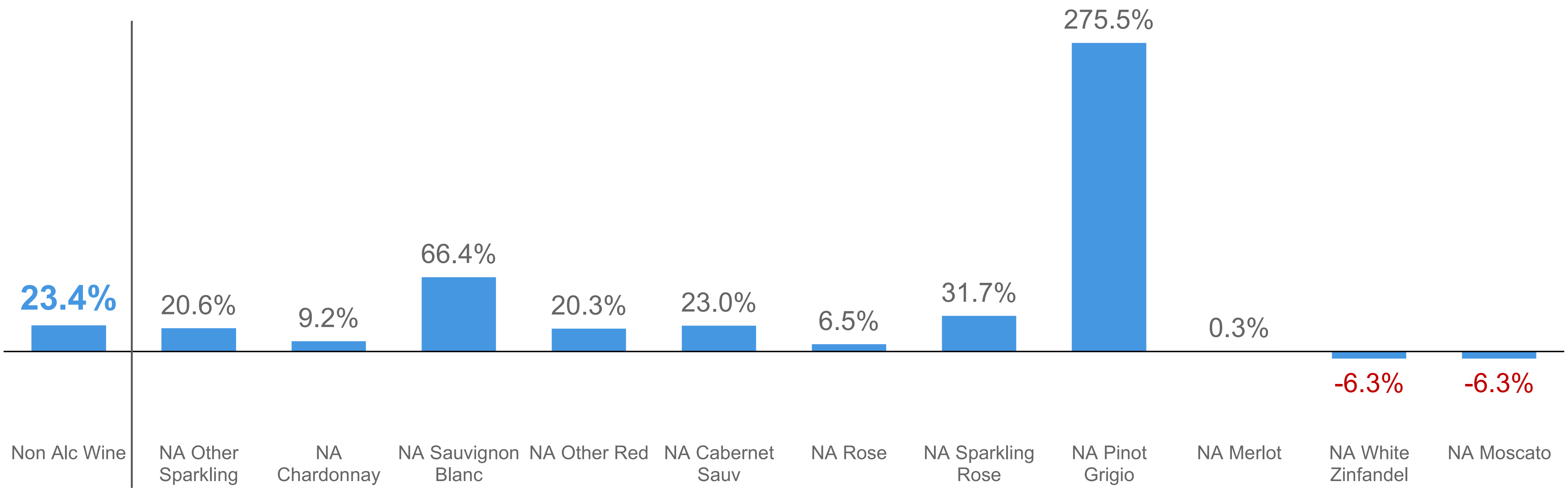
Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

Many varietals contributing to the success of Non Alc Wines

Advances in technology and production process have improved the taste and complexity of Non Alc Wine

Non Alc Wine by Varietal Dollars and Change vs Year Ago

NIQ Off Premise Channels

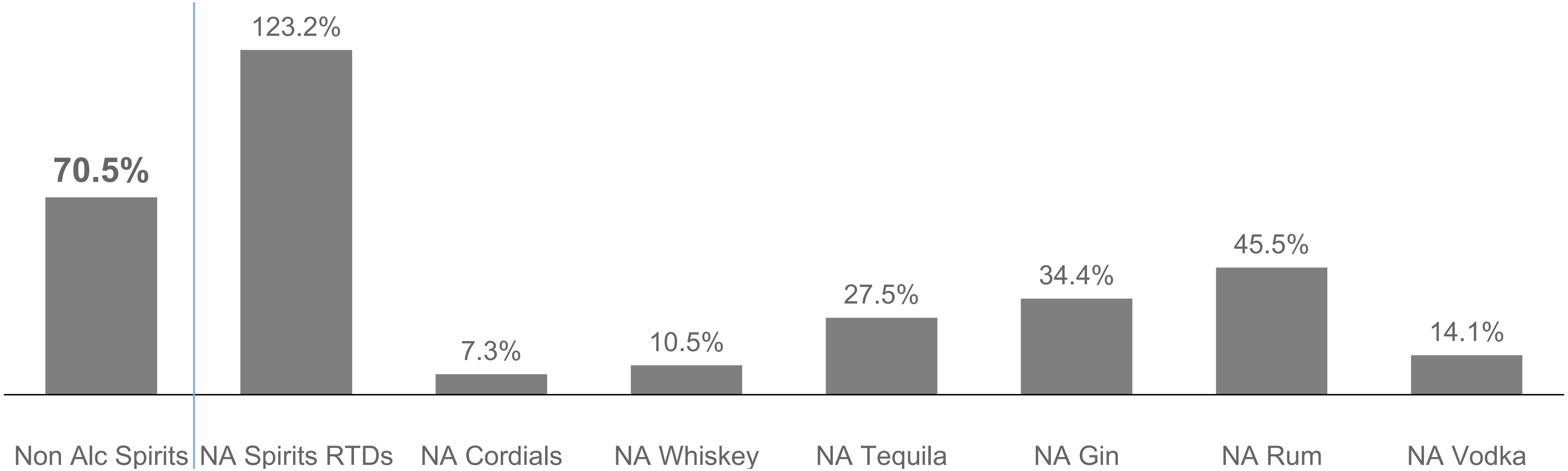


Dollar share of Non Alc Wine	24%	18%	12%	10%	9%	5%	5%	4%	4%	2%	1%

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

Majority of Non Alc Spirits growth driven by Non Alc RTDs

Non Alc Spirits by Segment Dollars and Change vs Year Ago
NIQ Off Premise Channels

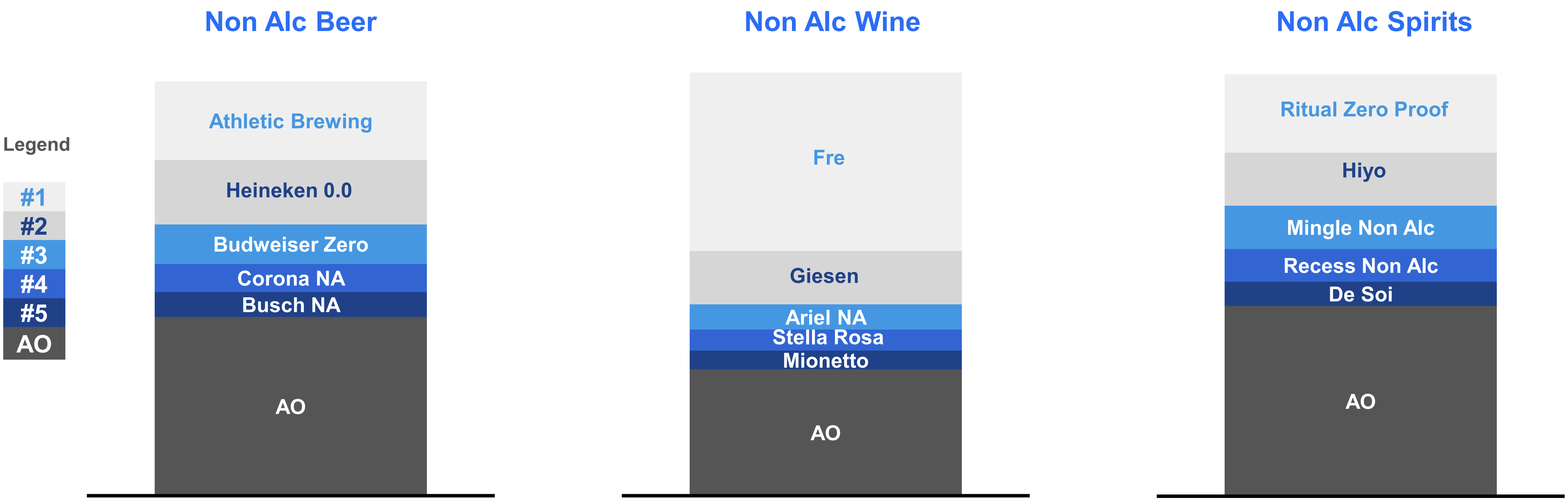


Dollar share of Non Alc Spirits	64%	9%	8%	8%	7%	3%	1%

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

Top 5 Non Alc brands by category ranked by dollars

Core brands are driving each of the mega categories for now, but there's room for *unique* innovation



Top 5 brands account for **57%** **of Non Alc Beer dollar sales**

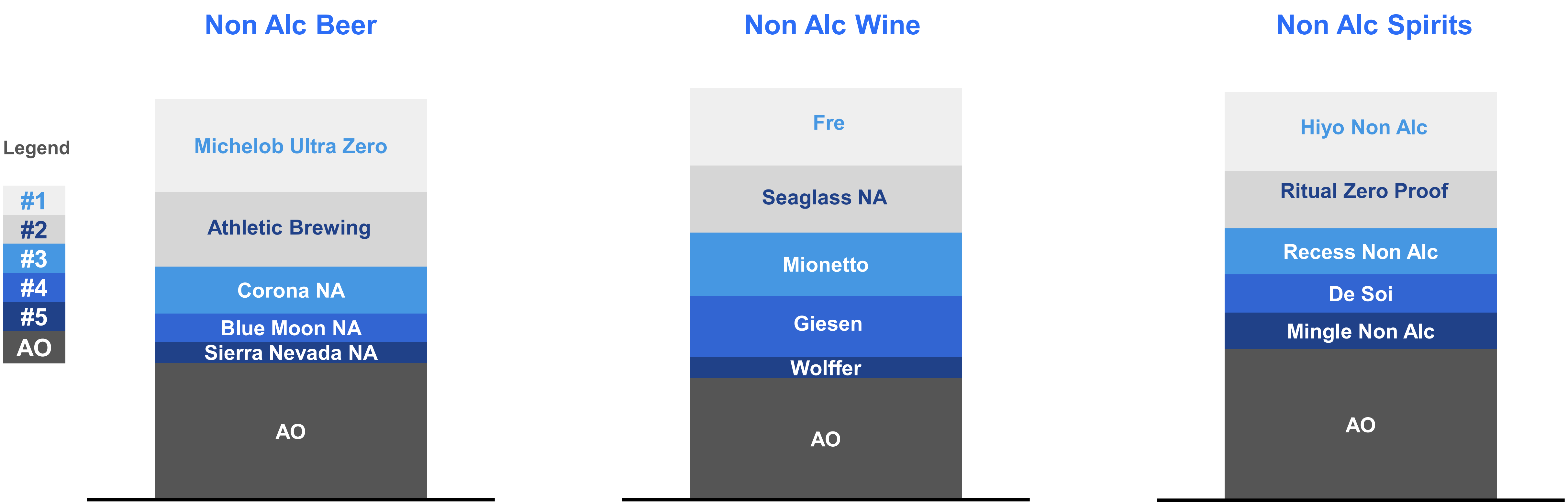
Top 5 brands account for **70%** **of Non Alc Wine dollar sales**

Top 5 brands account for **55%** **of Non Alc Spirits dollar sales**

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

Contributors to Non Alc growth ranked by absolute dollar change

Growth can change quickly, so it's essential to stay connected with shoppers and drive repeat purchase early in release



Top 5 growing brands account for **66% of Non Alc Beer growth**

Top 5 growing brands account for **70% of Non Alc Wine growth**

Top 5 growing brands account for **63% of Non Alc Spirits growth**

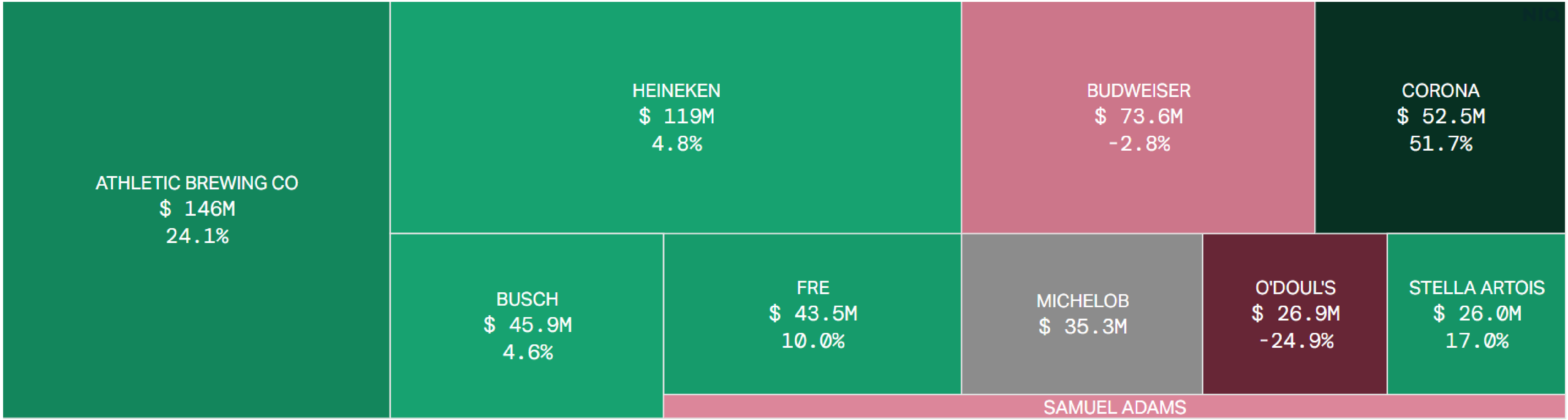
Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 08/02/2025 vs. year ago

Top 10 Brands for Non Alc

Performance Heatmap Template in Discover – Total Non Alc by Brand Family

Discover Template

Filter conditions: **Top 10 PRODUCTS based on $ for Total US xAOC + Liquor Plus + Conv and during Latest 52 Wks - w/e 08/02/25**



Size of square represents magnitude of dollar sales;
Color represents direction of change (Green = Positive; Red = Negative)

Source: Performance heatmap - Alcohol Omnisales; View by Brand Owner High for $ and 4 Facts of ALCOHOL in Total US Online BevAl during Latest 52 Wks - w/e 05/25/24

Non Alcohol Beer Brand Families Then vs Now

Segment sales have been fragmenting over the last three years due to portfolio expansion and new to world entries

Latest 52 weeks 3YA 86% of Total NA Beer $ Sales

Latest 52 weeks 73% of Total NA Beer $ Sales

Source: NIQ Discover Integrated Database; Scan Off Premise Channels (xAOC+Conv+Liquor Open State); L52 weeks ending 08/02/2025

Non Alcohol Wine / Spirits Brand Families Then vs Now

Latest 52 weeks 3YA **80% of Total NA Wine $ Sales**

Latest 52 weeks 3YA **75% of Total NA Spirits $ Sales**

Latest 52 weeks **70% of Total NA Wine $ Sales**

Latest 52 weeks **55% of Total NA Spirits $ Sales**

Source: NIQ Discover Integrated Database; Scan Off Premise Channels (xAOC+Conv+Liquor Open State); L52 weeks ending 08/02/2025

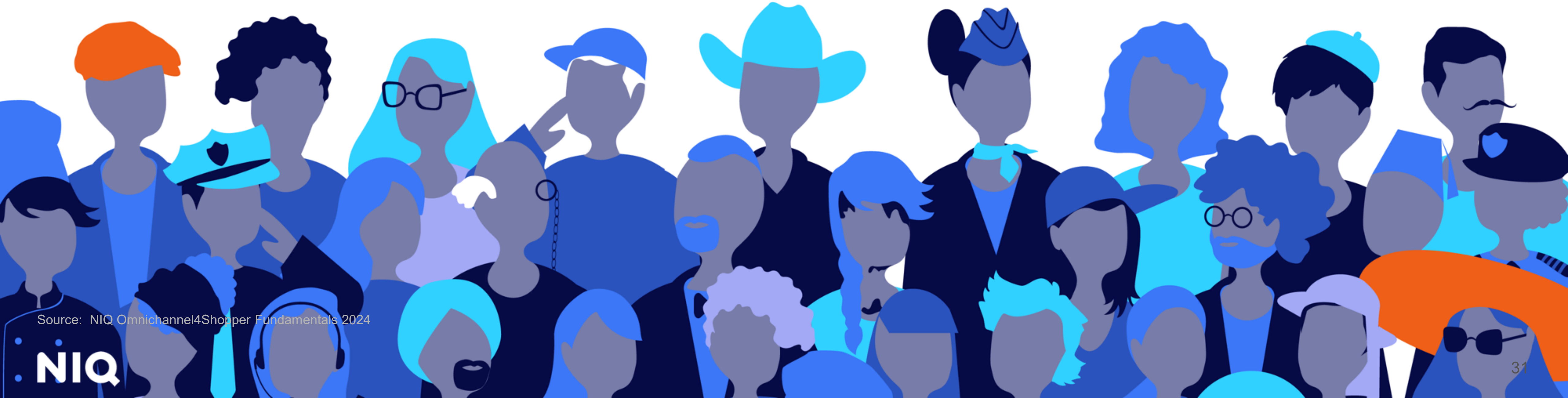
Non Alcohol Consumer and Shopper Dynamics

Top Two Deciding Purchase Factors for Non Alcohol

Why did you decide to purchase a non-alcohol beer, wine, or spirit? Select one answer. ***Top two noted below.***

#1 *"I like the flavor"*

#2 *"I want to enjoy a social gathering but I don't want to drink alcohol"*

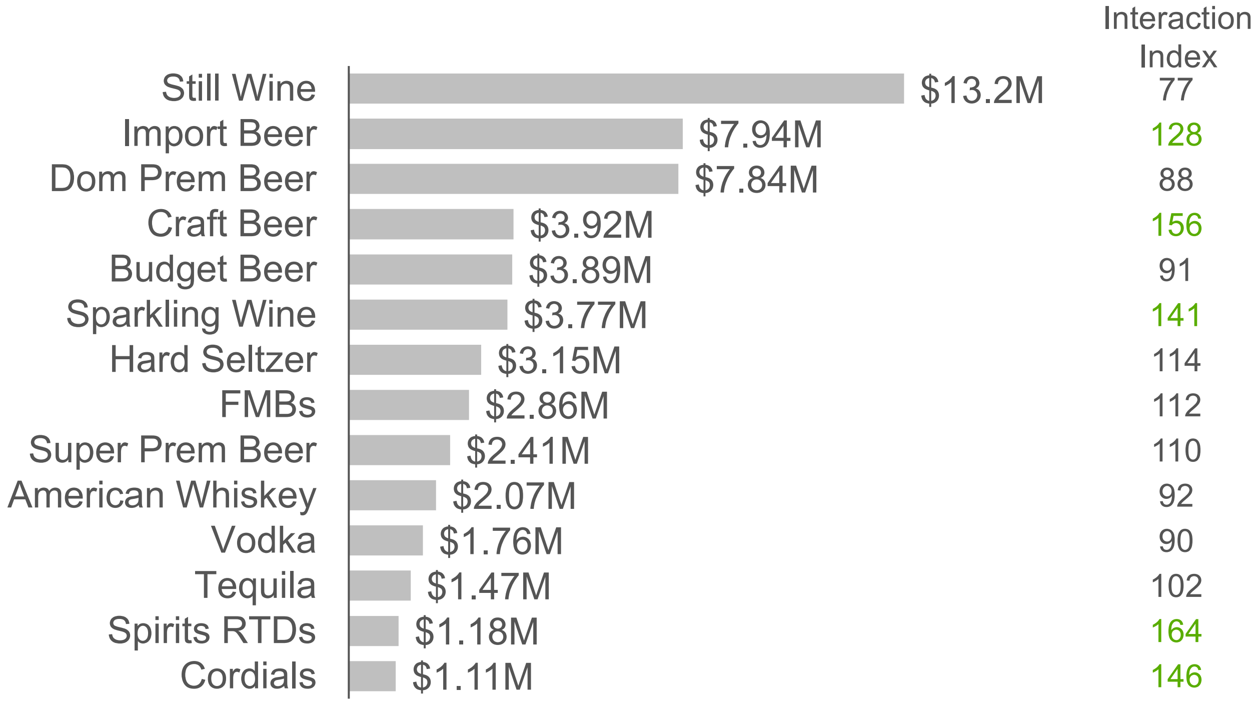


Source: NIQ Omnichannel4Shopper Fundamentals 2024

NIQ

Non Alc gaining from categories across Beer, Wine, and Spirits

Shifting TO Non Alc Beer, Wine, and Spirits Competitive Analysis



Non Alc products have close affiliation with every Alcohol category due to the removal of alcohol and mimicking of alcohol-containing products.

Source: NIQ Expanded Omnishopper Panel on Demand, BevAl Integrated 21+ database, Total U.S., Latest 52 weeks ended 7/12/2025 vs YA

Non Alc Cross Purchasing

92%

of Non Alc buyers are purchasing <u>Alcohol-containing</u> Beer, Wine, or Spirits

Source: NIQ Expanded Omnishopper Panel on Demand, BevAl Integrated 21+ database, Total U.S., Latest 52 weeks ended 7/12/2025 vs YA

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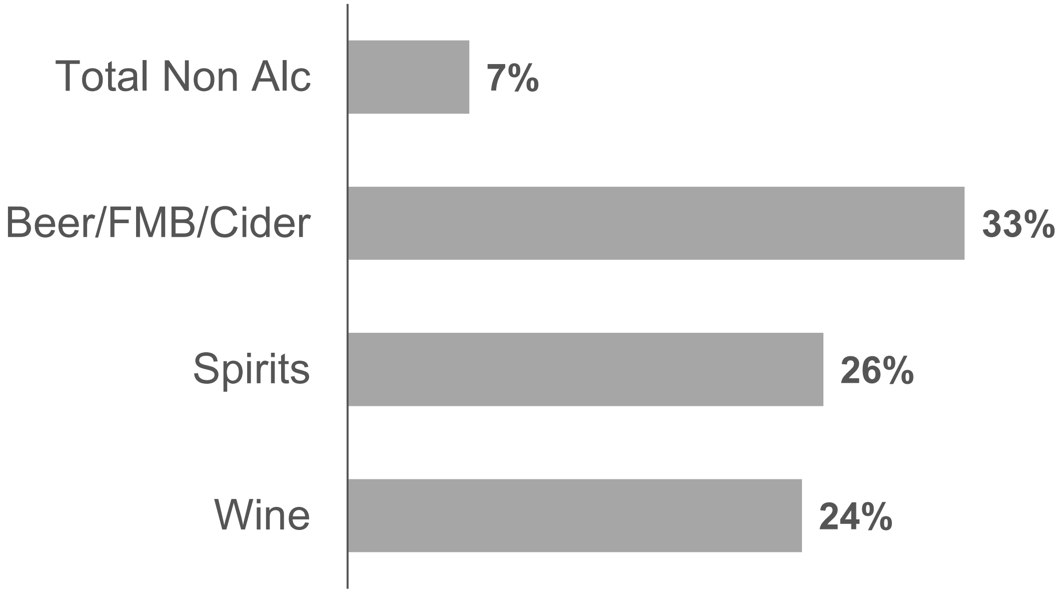
Non Alc loyalty is lower indicating Non Alc consumption as a part of a broader repertoire

Loyalty Comparison Across Categories
Total US, Total Expanded Omni POD, 52 WE 7/12/25

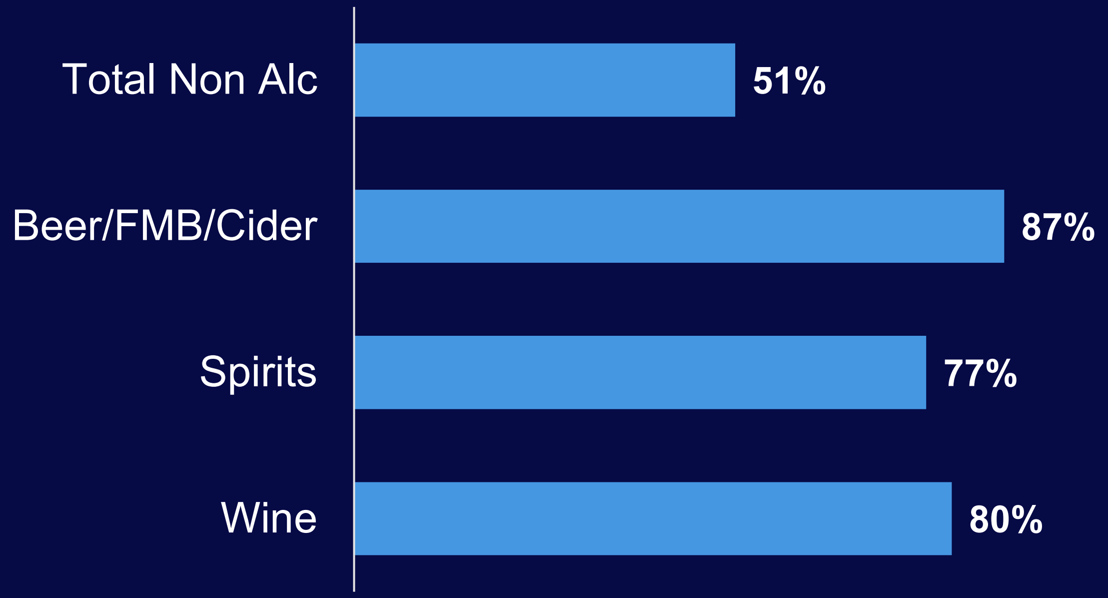


In comparison to Beer, Wine, and Spirits categories, **Non Alc loyalty is relatively low**, with room to grow. Lower loyalty indicates that Non Alc is **a part of the broader repertoire** of the consumer.

Source: NIQ Expanded Omnishopper Panel on Demand in Discover, Total U.S., Latest 52 weeks ended 7/12/2025

…with half of buyers repeat purchasing

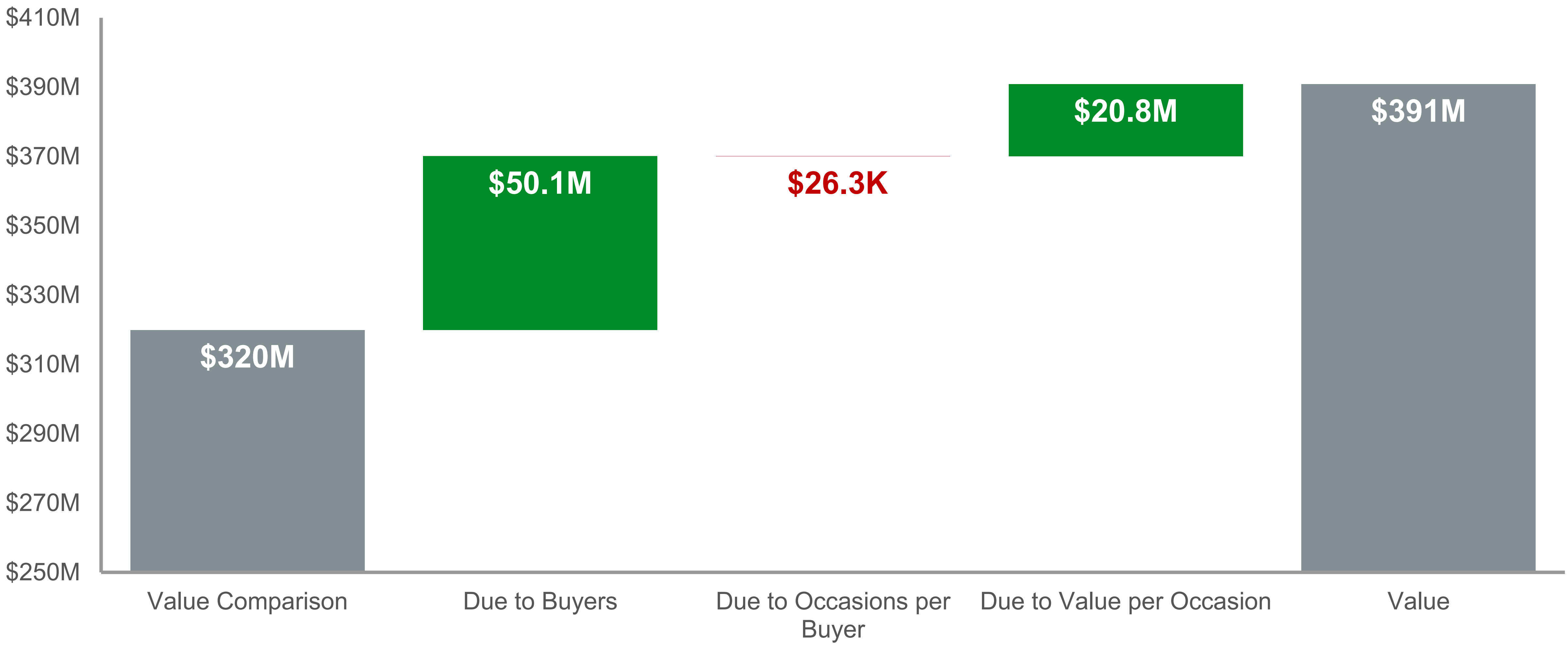
Repeat Rate Comparison Across Categories
Total US, Total Expanded Omni POD, 52 WE 7/12/25



Though repeat rates are lower for **Total Non Alc compared to alcohol-containing Beer, Wine, and Spirits,** just over **50% of buyers of Non Alc have purchased more than once** in the latest 52 weeks.

Non Alc growth continues to come from new buyers

Consumer Performance Overview – Total Non Alc Beer, Wine, and Spirits



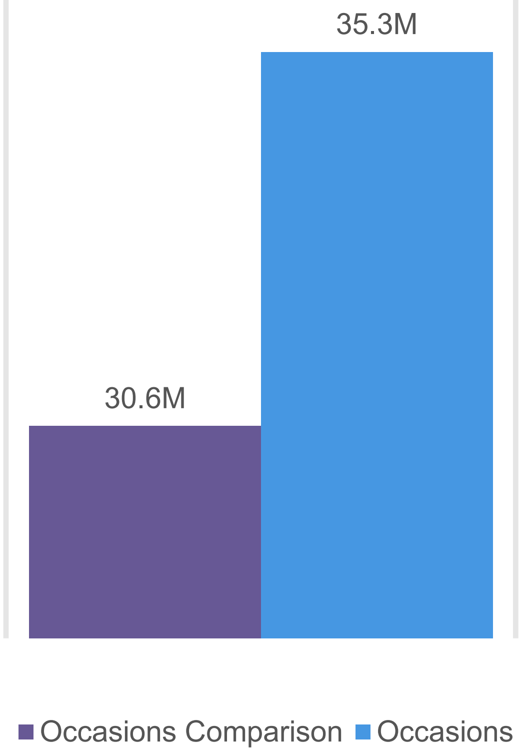
Performance of Total Product | ALCOHOL | NON ALCOHOLIC by Value purchased at Total Outlets in Total US during Latest 52 Wks - w/e 07/12/25 vs Latest 52 Wks YA - w/e 07/13/24 Who are Demographic Total Panel People All People

Discover Template

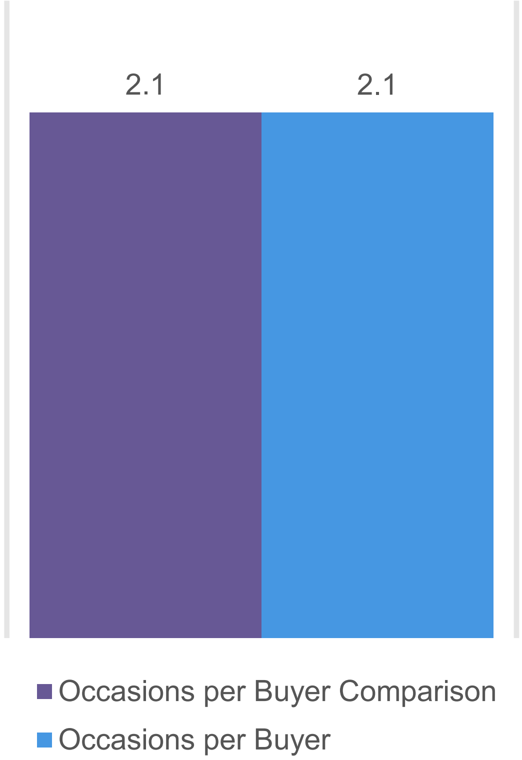
Occasions are down, but value per occasion is driving dollar growth

Consumer Performance Overview – Total Non Alc Beer, Wine, and Spirits

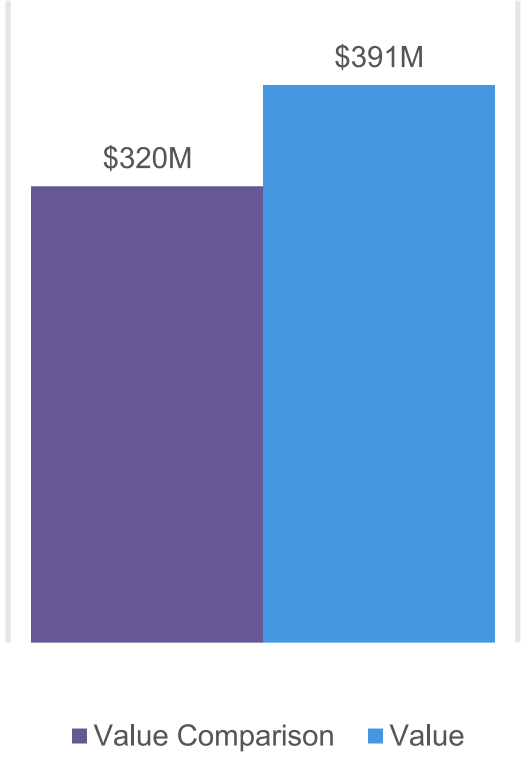
Occasions



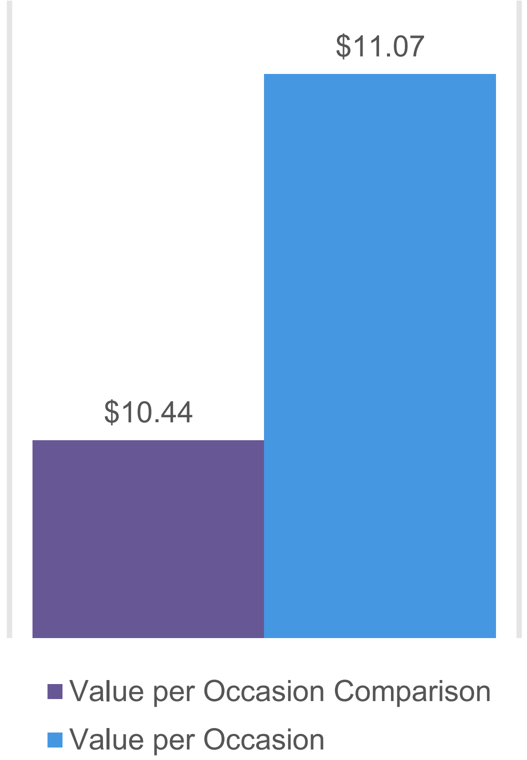
Occasions per Buyer



Value ($)



Value per Occasion



Source: Performance of Total Product, ALCOHOL, NON ALCOHOLIC by Value purchased at Total Outlets in Total US during Latest 52 Wks - w/e 08/10/24 vs Latest 52 Wks YA - w/e 08/12/23 Who are Demographic Total Panel People All People

Age of HH is a demographic differentiator – Non Alc BevAl buyer skews younger

Demographic Profiles **Buyer Index | % of dollars**

Alcohol Beverage Alcohol Buyer

Gen X
104 index | 26% of dollars

Income $150k+
109 index | 26% of dollars

West Region
108 index | 28% of dollars

Black/African American
98 index | 10% of dollars

Hispanic
105 index | 15% of dollars

Non Alcohol Beverage Alcohol Buyer

Millennial
101 index | 30% of dollars

Income $150k+
133 index | 26% of dollars

Central Region
113 index | 24% of dollars

Black/African American
79 index | 8% of dollars

Hispanic
91 index | 11% of dollars

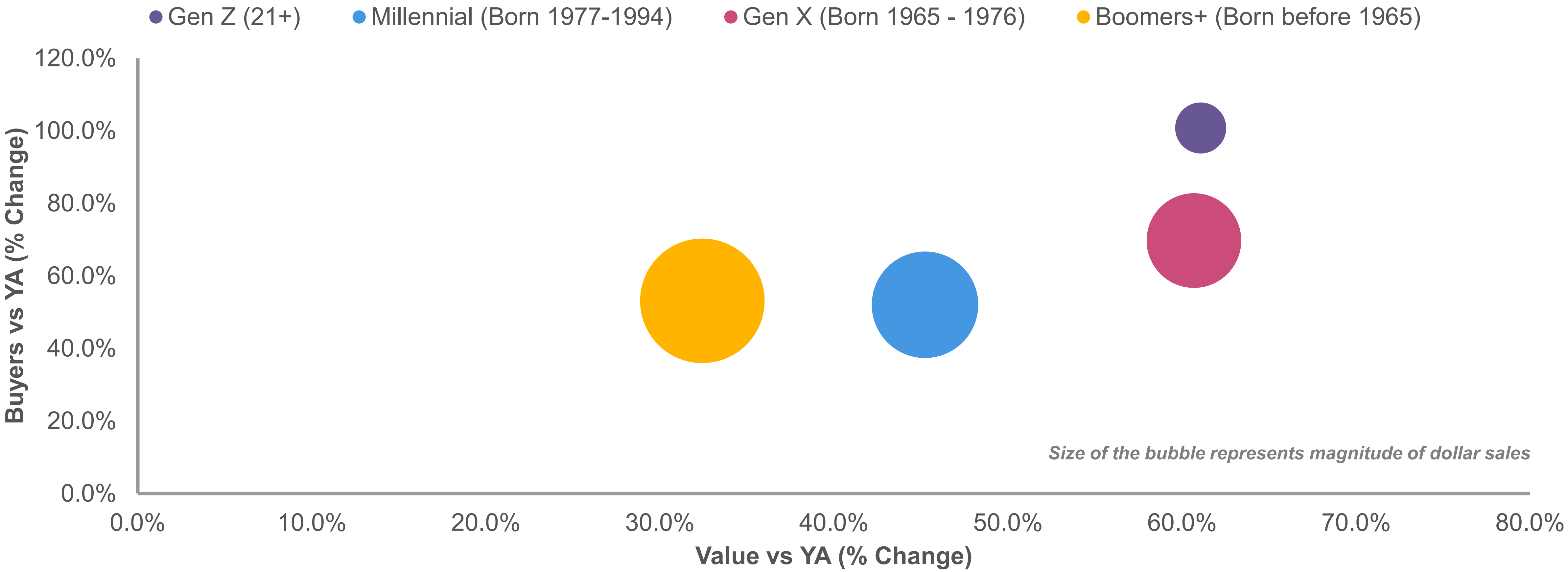
Product analyze 2 ALC SUPER CATEGORY, ALCOHOLIC, NON ALCOHOLIC focusing on TOTAL ALCOHOL by Value purchased at Total Outlets in Total US between Latest 52 Weeks vs Latest 52 Wks YA - w/e 07/13/24

Gen Z (21+) represents a smaller portion of Non Alc sales, but growing

Discover Template

Non Alc opportunity by Generation

Total Non Alcohol Beer, Wine, and Spirits

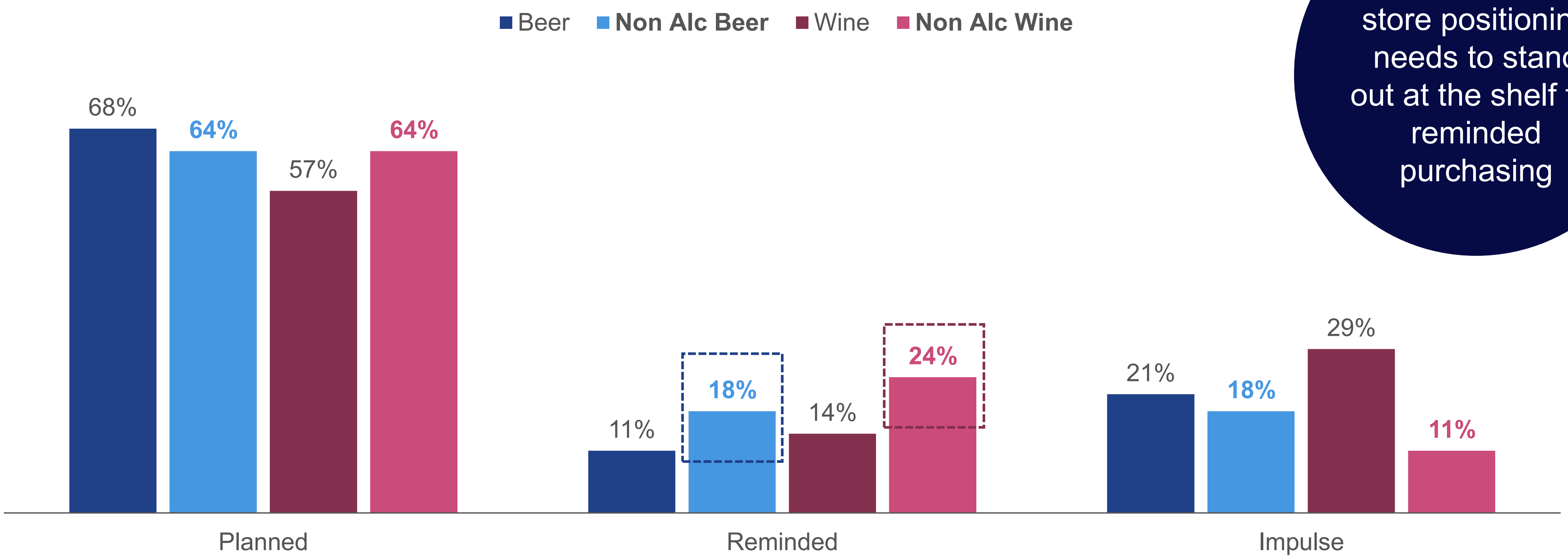


3 Facts of Total Non Alc Beer, Wine, and Spirits for Total Outlets in Total US during Latest 52 Wks - w/e 07/12/25 Demographic 4 Generation People All People

Planned Purchase Comparison

Having more NA choices makes pre-planning slightly more adventurous, but note the reminded purchase rates

Category Planning - % of purchases

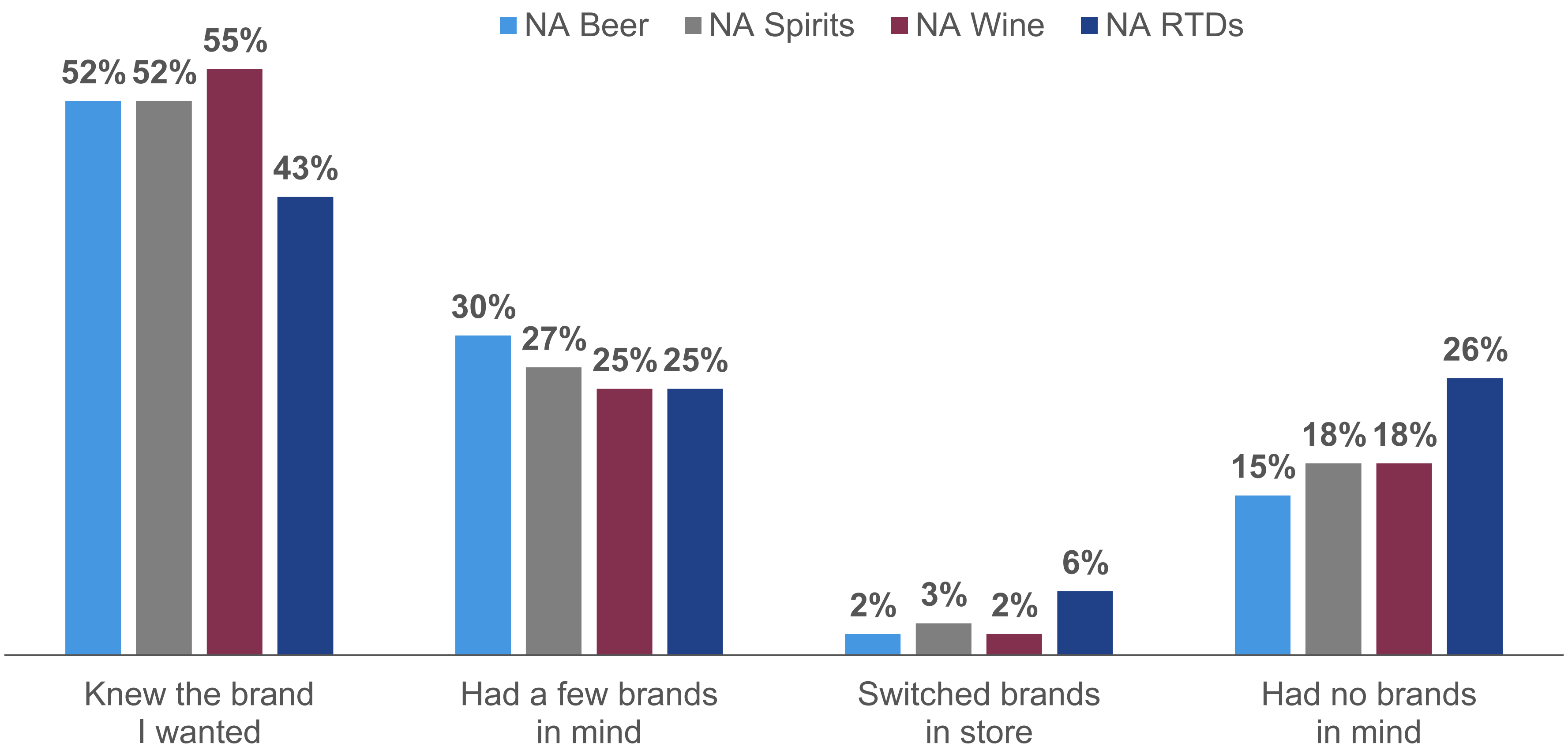


Non Alcohol in-store positioning needs to stand out at the shelf for reminded purchasing

Source: NIQ Omnichannel Shopper Fundamentals 2024

Non Alcohol Brand Purchase Intent

Knowing the brand before entering the store is critical in getting the shopper aligned, but having a repertoire of good choices is also part of the equation at retail



- Regular Wine shows 49% saying they knew the brand they wanted vs. 43% for NA
- Regular Beer shows 60% saying they knew the brand they wanted vs. 52% for NA
- Regular Spirits is 65% knowing the brand as a preference vs. 52% for NA Spirits
- Regular RTDs aligns with NA for knowing brand desire

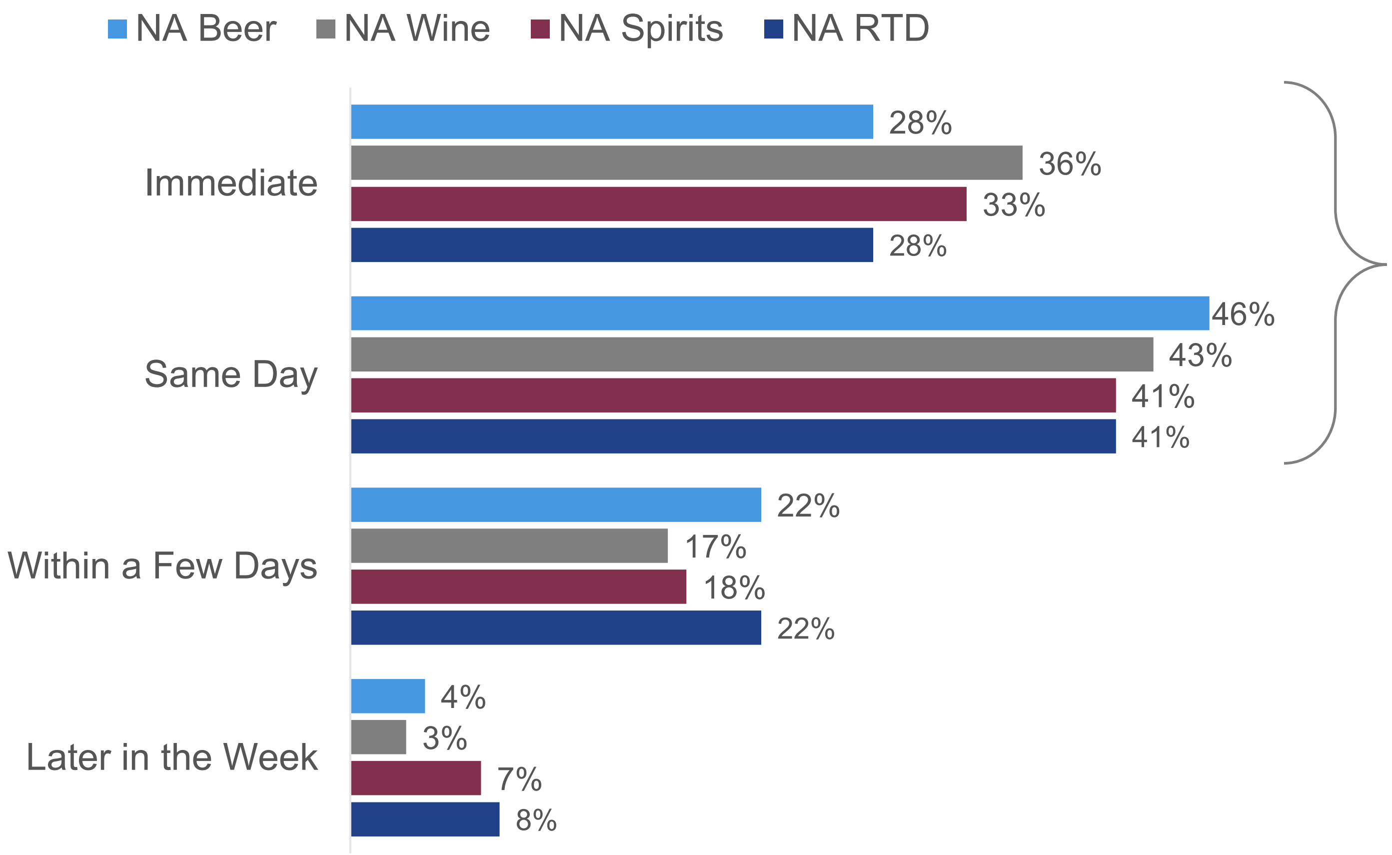
Source: NIQ Omnichannel Shopper Fundamentals 2024

Non Alcohol consumption timing

Non Alcohol products have high consumption rates with close proximity to purchase

Linkage between planned purchase and same day consumption is consistent

Consumption - % of purchases



Same day consumption

74%	NA Beer
79%	NA Spirits
74%	NA Wine
69%	NA RTDs

Source: NIQ Omnichannel Shopper Fundamentals 2024

Non-alcoholic cocktails are the most consumed non-alc category, followed by non-alcoholic beer and non-alcoholic spirits

Drink categories consumed in the On Premise

Shots/ shooters	Rum	Hard cider	Energy drinks	Gin	Non-alcoholic cocktails	Brandy	Non-alcoholic beer	Cognac	Non-alcoholic spirits	Non-alcoholic wine	Mezcal
14%	13%	12%	10%	10%	9%	6%	6%	6%	6%	4%	4%

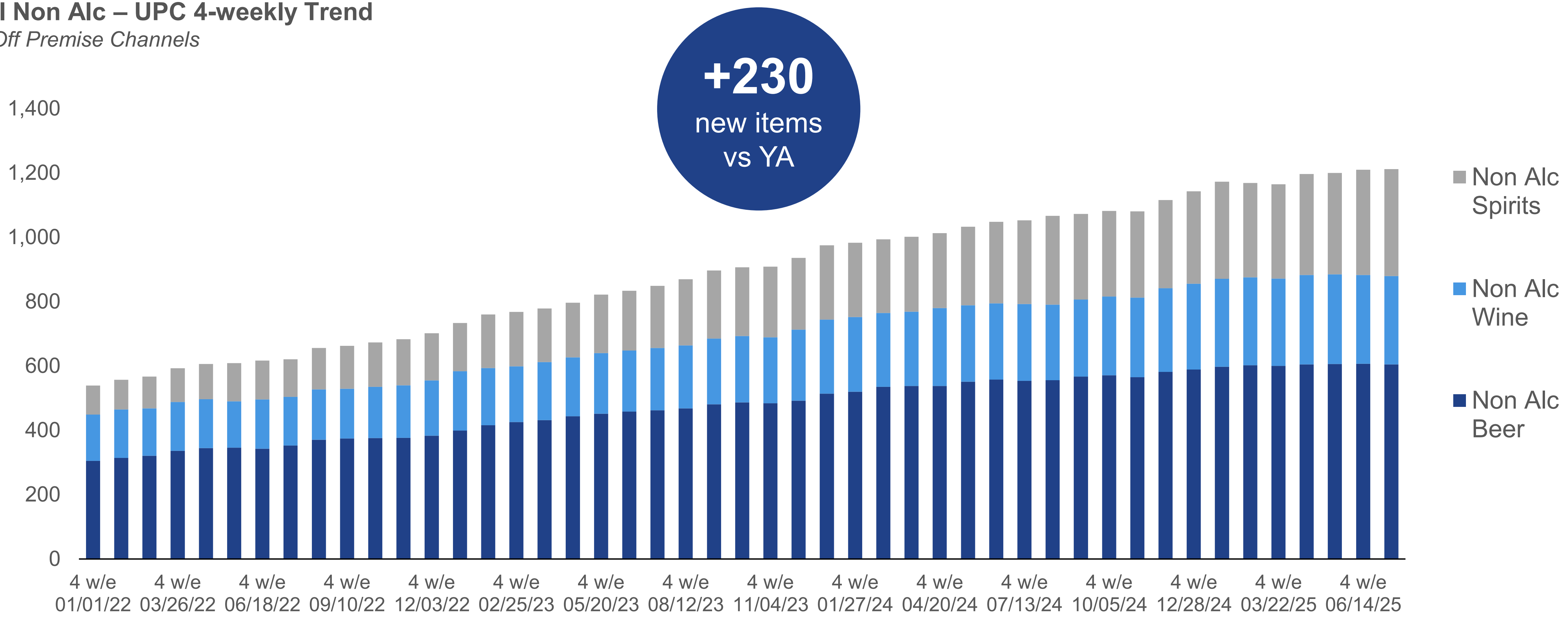
Q. Which of the following have you had to drink when out at a bar, restaurant or similar outlet in the past 3 months? Please select all that apply
Source: CGA by NIQ OPUS US (Spring 2025) – Sample Size: 15003

Non Alcohol Future State

Number of Non Alc UPCs continues to climb

Non Alc Beer and Non Alc Spirits driving new UPCs; cutting through the clutter to get listed at retail is getting harder to do

Total Non Alc – UPC 4-weekly Trend
NIQ Off Premise Channels



Source: NIQ Discover Integrated Database; Scan Off Premise Channels (xAOC+Conv+Liquor Open State); 4 weekly data

Innovation continues to be a driver of Non Alcohol sales

Non Alc Innovation Insights

Total Sales
$925M
+22% vs past 52 weeks

Innovation Sales
$81M
+47.7% vs past 52 weeks

Innovation Contribution
9%
of total dollar sales

# of Innovation Items
121
+1.7% vs past 52 weeks

Innovation Type
70%
are Line Extensions

Source: NIQ Innovation Measurement (IM) – Innovation Profiler Scorecard; Latest 52 weeks 7/12/2025

New Brand & Item Development

Notable brands and items with zero sales prior 52 weeks

Beer/FMB/Cider

Spirits

Wine

Non Alcohol adjacencies and Private Label emergence

Traditional non alcohol beverage brands are launching products with flavors to fit the mocktail occasion

Sparkling Water brand, **Waterloo,** transforms mocktail flavors to **Craft Mocktail lineup**

2024

2025

Nestle launched **Masion Perrier** *chic* non alcohol cocktails to the U.S.

Aldi introduced a lineup of mocktails with 0% ABV and zero sugar

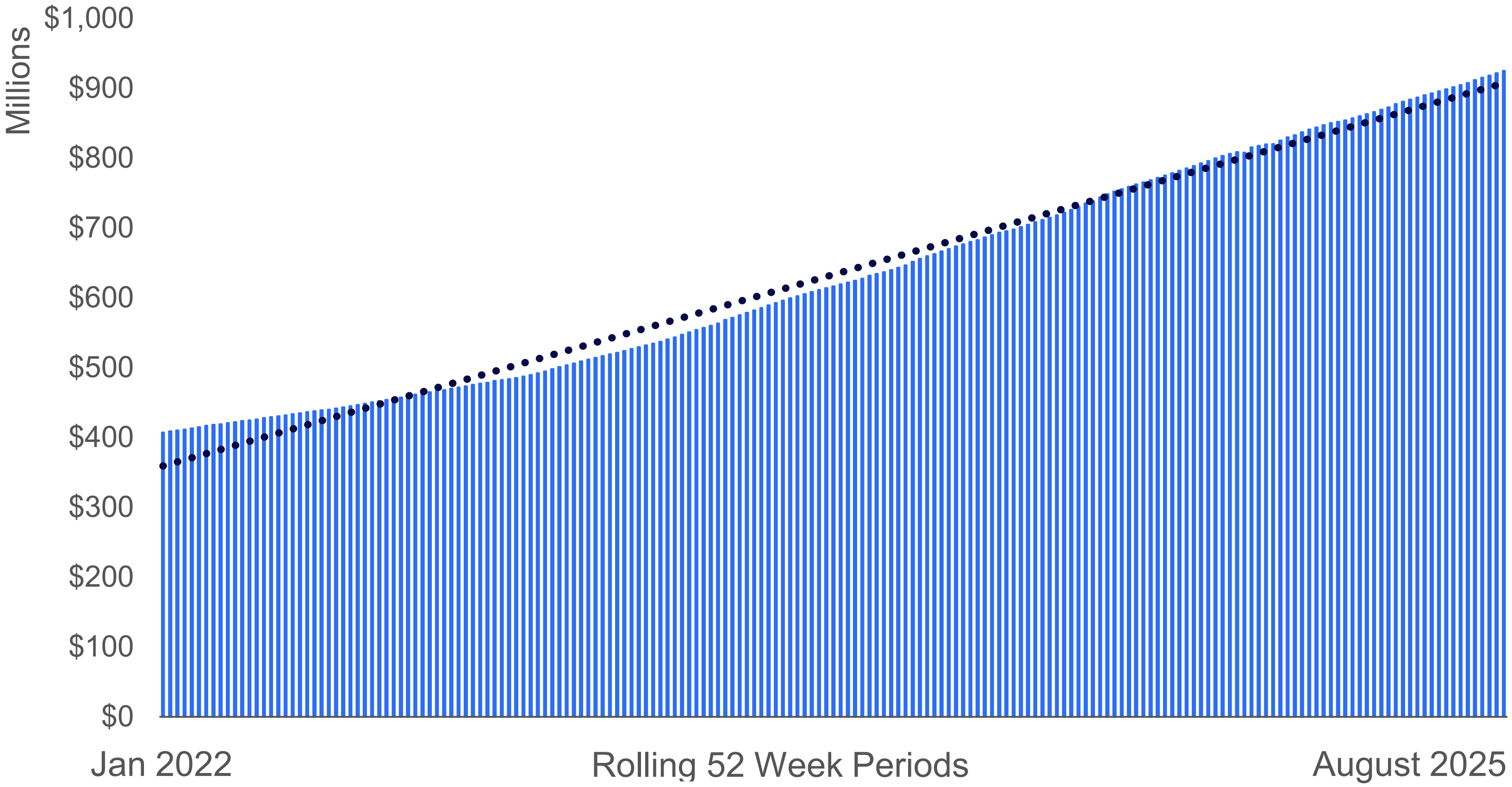
Retailers are treating Non Alcohol as a unique segment, not a trend, with dedicated shelf space

The new Wegmans dedicated 8 feet of shelf space plus an endcap to Non Alcohol Beer, Wine, and Spirits products. Additionally, there were Non Alc brands in the cold box

Looking forward for Non Alc Off Premise

Positive momentum ahead but watch out will be pricing and how much subsidization the shopper receives at retail

Non Alc Dollars
NIQ Off Premise Channels

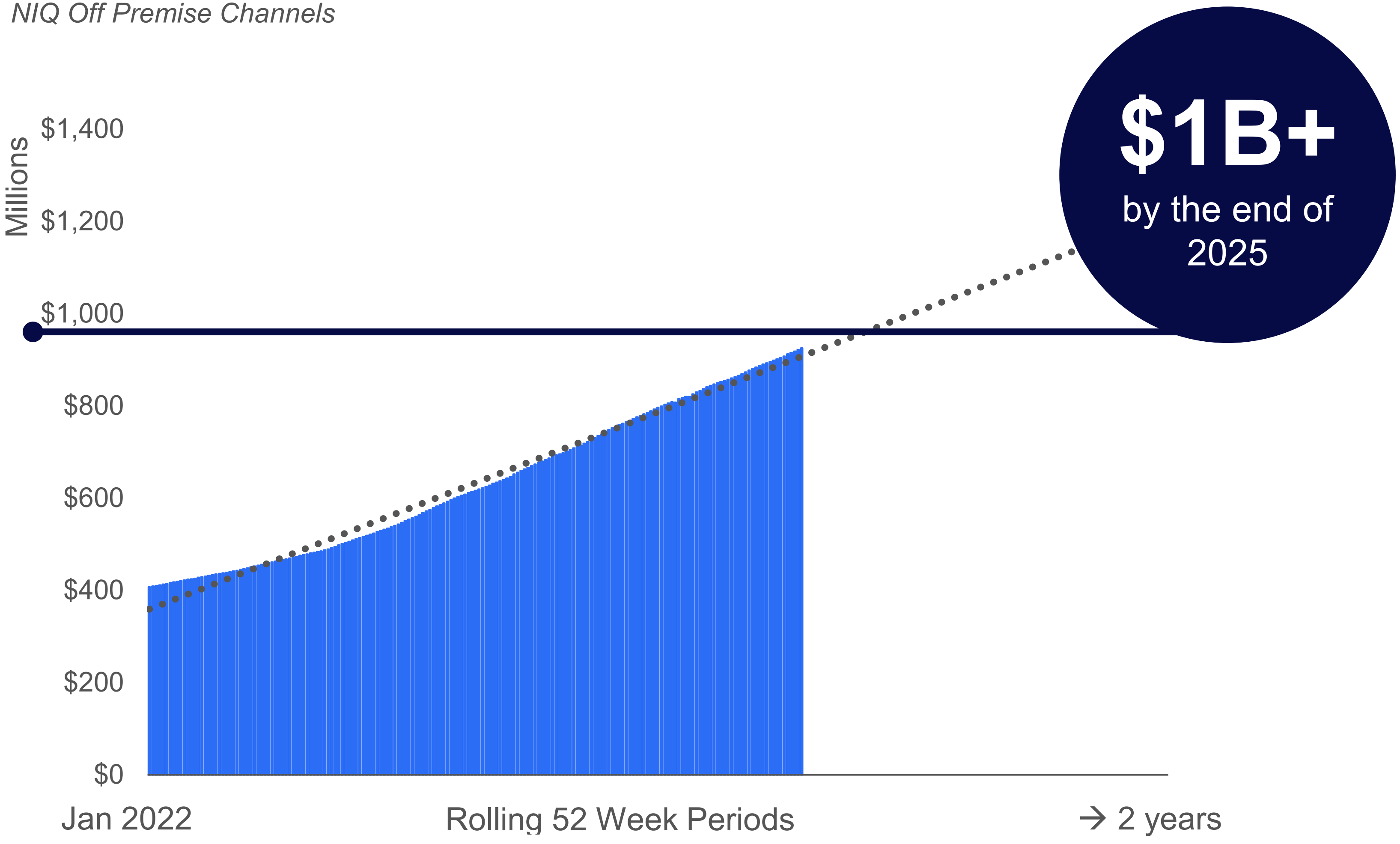


Total US xAOC + Liquor Open State + Conv

Non Alc Growth future state looks solid

Linear Forecast – use directionally

Non Alc Dollars – Linear Forecast
NIQ Off Premise Channels



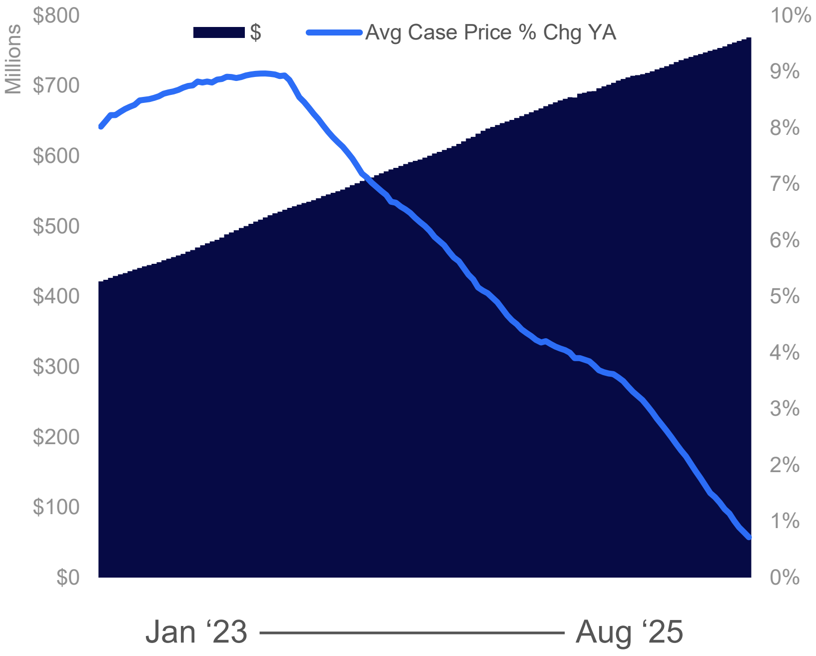
Total US xAOC + Liquor Open State + Conv

Annualized NA dollar sales and price change

Expect more pressure on price increases from retailers for the near future, **justification of price** will continue to be a substantial part of the partnership conversation

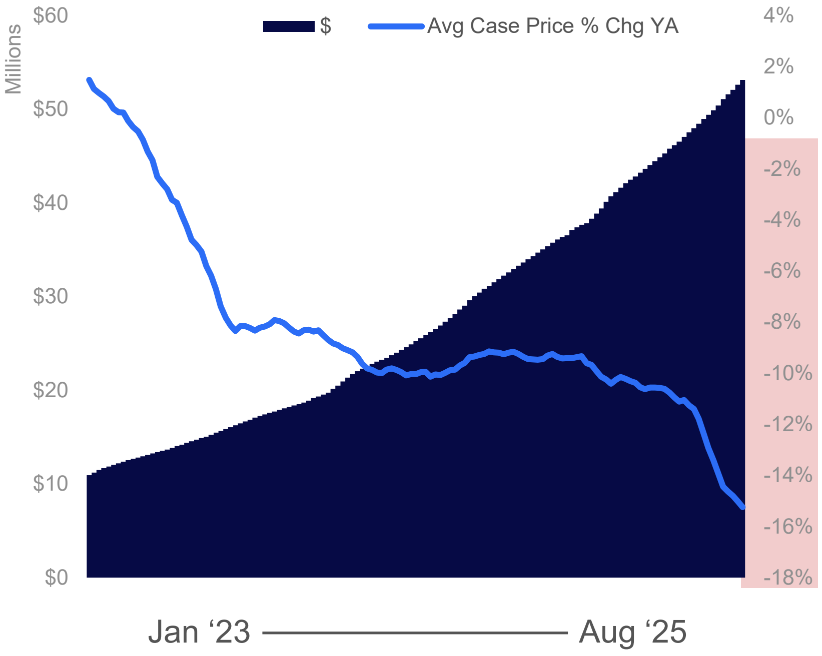
Non Alcohol Beer

Beer pricing is being impacted by ***price subsidization***



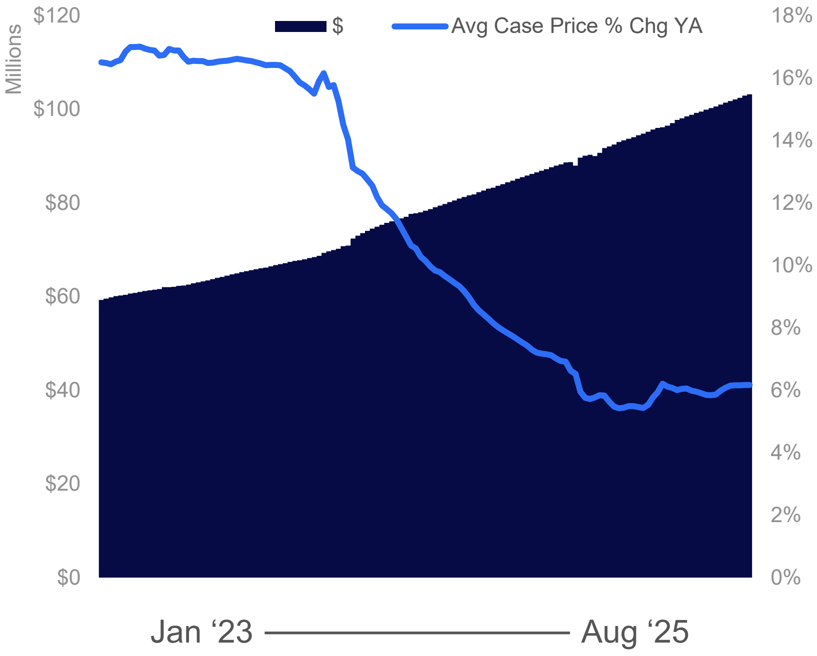
Non Alcohol Spirits

Spirits pricing is finding a ***normalized retail level***



Non Alcohol Wine

Wine continues to find the opportunity for ***price increase***



Total US xAOC + Liquor Open State + Conv 52 Weeks Rolling

NIQ

The Fundamentals

Drive these elements with retailers to create compelling sales platforms

Adult Non Alcohol beverages are no longer “alternatives”, they are **mainstream choices** driven by moderation, wellness and lifestyle choices

High double-digit growth is coming from a small but expanding base, with the catalyst being **expanded household penetration**

Social acceptance of Non Alcohol products in traditional alcohol forward settings has quickly become very common, and not just with younger LDA consumers

Innovation in flavors, format and the consumption experience or ritual is all helping Non Alcohol products feel premium and not a consumption compromise

Strategic Action Planning Checklist

The next 12-18 months are going to mean considerable adaptation to the evolving economic environment

Solidify Brand Positioning

- ❑ Define your "right to win", refreshment, social ritual, etc.
- ❑ Messaging for occasions and experiences
- ❑ Independent brand identity is essential

Occasions and Channels

- ❑ Expansion thinking is needed here
- ❑ On Premise placements are pivotal for trial
- ❑ Retail visibility citing brand positioning is essential

Innovate for Differentiation

- ❑ Functional benefits where possible
- ❑ Premium flavors, seasonal and limited editions
- ❑ Unique packaging format trial

Win the Mindshare Game

- ❑ Sell NA with enthusiasm not apology
- ❑ Influencers, bartenders and retailers can all increase share
- ❑ Invest in user generated content

Price with Confidence

- ❑ Now is not the time to under price
- ❑ Anchor price close to alcohol counterparts
- ❑ Highlight quality and benefits where possible

Data Driven Distribution

- ❑ Build channel strategy based on performance
- ❑ Track trial and repeat to have "evidence" for the selling story
- ❑ Know your source of volume to inform retail

Strategic Partnerships

- ❑ Consider collaborations with alcohol products if portfolio makes sense
- ❑ With wellness positioning look for co-branded activations

Future Proof Supply Chain

- ❑ Build in sustainability for packaging
- ❑ Ingredient supply and production needs long term planning
- ❑ Get ahead on potential regulatory clarity changes

What else should we be thinking about?

What else should we be thinking about?

Adjacent beverage categories offer similar benefits as Non Alcohol

Functional beverages are marketed to highlight an ingredient or health claim typically to support well-being. Examples of claims include energy, brain health, system health, muscle health, etc.

CBD beverages (without Cannabis or Hemp) face declines despite being alternatives to alcohol consumption with benefits of relaxation and wind-down. Consumers are leaning in to Cannabis/Hemp/Delta 8/Delta 9 products where legal.

Cannabis/Hemp/Delta 8/Delta 9 Infused beverages are rapidly launching across states through loopholes to selling in traditional retail outlets like Liquor and Convenience offering alcohol alternatives to consumers.

Functional beverages focus on claims, offering a pathway to meet consumers' changing needs and preferences

Functional Beverages

$24.5B

+5% *vs year ago*

Source: NIQ Scantrack Total US xAOC + Conv 52 Wks Ending 08/02/2025

CBD Beverages

**Does not include Cannabis/Hemp Infused beverages*

CBD Beverages

$18.0M

-14% *vs year ago*

Brand Examples

CBD is short for cannabidiol. The FDA highlights that Cannabis is different from CBD. CBD is a single compound in the cannabis plant. The cannabis plan does contain many naturally occurring compounds, including CBD and THC. CBD infused products, including beverages, work naturally with the body to promote wellness without inducing a "high." CBD popularity is attributed to increased availability and consumer acceptance.

Source: NIQ Discover; xAOC+Conv+Liquor Open State; L52 weeks ending 8/2/2025 vs. year ago

Cannabis/THC/Delta 8/Delta 9 Beverages

This is a representation of a collection of 160+ coded brands that are sold across tracked NIQ in-store channels. Please use this data directionally as this is not currently fully inclusive of all Cannabis beverages

Cannabis Beverages

$145M

+204% *vs year ago*

Brand Examples

Cannabis beverages are becoming increasingly popular in states where recreational cannabis is legal, as well as states that utilize a grey area in legislation for legal sales. Cannabis beverages range from containing THC, Delta-8, and Delta-9 derivatives at various dosages, with some additionally including CBD. Many of these beverages are selling in traditional Convenience, Liquor, and Grocery outlets, as well as direct to consumer. These beverages induce a varying range of "high" or "intoxicating" effects.

At this time NielsenIQ is in an exploratory phase of Cannabis beverages.

Source: NIQ Discover; Select Markets & Retailers; L52 weeks ending 8/2/2025 vs. year ago

Thank you!

NIQ Beverage Alcohol Vertical

Thought Leadership
August 2025