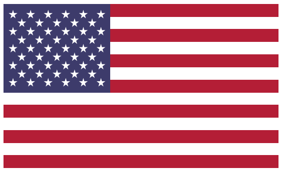
The On Premise Draft Opportunity



The latest big trends in draft beer in the US and ways to grow the market further

Draftline Technologies™ and CGA by NIQ Draft Beer Report

Draftline Technologies

CGA Powered by NIQ

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Welcome to the 2025 Draft Beer Report from Draftline Technologies™ and CGA by NIQ. It's packed with insights from the experts at CGA and Draftline to help you track trends and grow sales in draft beer.

This report comes at a time of great opportunity for draft across the US. Our research shows how it continues to make gains across the On Premise BevAl market—from both packaged beer and other categories. Draft delivers outstanding value velocity and profitability, and distribution is growing. As well as generating sales, draft is also where beer brands achieve exposure, improve their reputation and build a springboard for Off Premise sales too.

Encouragingly, there's ample potential for more growth. Our report maps out draft's hotspots in 2025 and builds a detailed picture of the demographics and preferences of draft beer consumers. We also explore what operators and suppliers can do to engage more consumers, craft winning campaigns and maintain the quality of their draft beer.

It's a competitive market out there, but we are excited at what the future holds for draft beer. We hope you find our analysis useful and would love to hear your views.

About our report

Data in this report is drawn from three sources within CGA by NIQ's portfolio of research tools:

On Premise Measurement (OPM) and **BeverageTrak**, the definitive sources of drinks sales data in the US On Premise.

TD Linx, the authoritative database of bar, restau-rant and other licensed outlets in the US.

On Premise User Survey (OPUS), annually 30,000 nationally representative On Premise consumers.

To learn more about these and other research solutions delivered by CGA by NIQ, visit **www.nielseniq.com**.

Draft Beer In The US On Premise: **The Latest Picture**

Draft beer's recent sales momentum continued through 2024. CGA's OPM data reveals it attracted **52.3%** of all US On Premise beer sales by volume in the year to early 2025—up by **0.9** percentage points year-on-year. Share by value was slightly lower at **49.1%**—reflecting lower price points—but this also represents a 0.9 percentage point gain. If this rate of growth continues, draft beer will soon earn more money for the average outlet than packaged alternatives.

Across the wider US market, draft beer now attracts **19.7** cents in every dollar spent in the BevAl mega-category. Its year-on-year share growth exceeded other big segments like wine and spirits—a sign that draft beer is tempting a steady stream of consumers away from other choices.

Draft's 2024 performance was slightly more muted in terms of Return on Sale (RoS). Despite increased distribution (see box on next page), total volumes fell by **1.3%** year-on-year, as many consumers continued to keep a close eye on their spending. With average draft prices increasing by only **1.8%**, volume RoS slipped by **3.2%**.

Nevertheless, these numbers comfortably outpace the BevAl universe as a whole. RoS in packaged beer fell by **6.6%**—more than twice the rate of draft. The drop was also steeper in other big categories like wine (**down 3.9%**) and spirits (**down 9.7%**).

This is another indication of the resilience of draft beer in a competitive market where spending is tight. Consumers are turning to it as a high-value, high-quality alternative to packaged options and other categories. It's apparent that RoS is draft's biggest challenge in 2025—but as we see elsewhere in this report, there are many ways for operators and suppliers to collaborate and reverse this trend.

The Draft Beer Outlet Universe

Our last Draft Beer Report indicated a **1.4%** increase in total BevAl outlets across the US in 2023. That growth accelerated last year, and by early 2025 there were **306,084** locations selling beer—a solid year-on-year rise of **1.9%**.

Some of this expansion has been powered by neighborhood bars, which rose by **3.1%** in 2024. However, it is the QSR segment that has seen the sharpest growth, at **15.3%**. For draft beer, moderate increases in casual dining (**up 2.2%**) and sports bars (**up 1.5%**) show it is a popular choice in these segments. Some other segments have contracted, including nightclubs, fine dining and premium bars, but it is clear that recent outlet trends have been positive for draft beer brands and suppliers.

Six key numbers

52.3%
Draft's share of all On Premise beer volumes in the year to early 2025—up by **0.9** percentage points year-on-year

1.8%
Increase in draft beer's average prices year-on-year

-3.2%
Change in draft beer's volume RoS year-on-year

306,084
Traditional On Premise Beer outlets in the US in January 2025

1.9%
Growth in outlets in the 12 months to January 2025

87%
Draft beer is stocked in **87%** of traditional On Premise outlets that sell Packaged beer

Draft Beer Segments: A Deeper Dive

Draft beer is a category in constant flux. For venues and suppliers alike, it's critical to track the latest changes in its drinkers' preferences and adapt portfolios accordingly.

The top takeaway from 2024 is the growth of imported brands, powered by draft. Total sales by value of imported beer on draft soared by **13.7%**, while packaged imports slipped **1.0%**. Although packaged options still have a higher share of imports, consumers seeking to explore beers from outside the US are turning at pace to draft for the best experience (see box). Americans' balance of consumption between domestic and imported products is under scrutiny at the moment, and whether this trend continues through tariff controversies remains to be seen.

Craft beer remains the biggest segment in the draft category, but its sales in the year to January dropped by **2.4%**. Categories achieving growth included domestic super premium (**up 7.1%**), below premium (**up 6.4%**) and cider (**up 1.6%**). This suggests that interest in craft may have peaked for now, with beer drinkers increasingly looking to taps from other segments for new experiences.

The $2,200 Benefit: Why Draft Beats Packaged

While both draft and packaged beer justify places in venues' range, there is conclusive proof that draft delivers substantially more earnings.

CGA by NIQ's BeverageTrak solution reveals that when both formats are stocked, draft achieves an average value velocity of **$4,852**. This is over **$2,200**, or **85%**, more than packaged.

The differential is even higher in sub-categories like craft, where draft's value velocity of **$2,332** is more than five times that of **$432** for packaged. Draft delivers four times the velocity in the domestic super premium segment, and nearly double in domestic premium beer. This gap applies across the pricing ladder and is widest at the high-priced end, where the advantages of draft over packaged are particularly attractive to consumers.

CGA by NIQ's analysis also shows how velocity steadily increases in line with the ranging of draft beer. When craft alone is stocked on draft, its average velocity is **$623**, but when imported and domestic premium are added, it rises to **$2,346**. Draft taps have a symbiotic relationship, with each additional segment benefiting not just the brands within it, but the market as a whole.

Why Consumers Choose Draft

Many US consumers seek draft beer over packaged, due to a range of benefits that draft can deliver over packaged alternatives. As these rankings show, better taste and a fresher product are the top two advantages, making them essential components of promotional activity. Value and variety are among the other top drivers to draft—especially among younger adults, who over-index for both.

Rank	%	Reason
1.	42%	I prefer the taste
2.	32%	It's generally fresher
3.	30%	I prefer to drink from a glass
4.	23%	The serve in my favorite venue is good quality
5=	22%	The product is only available in that format
5=	22%	It's cheaper
7.	17%	A wider variety of brands are available
8=	13%	It's easier to drink
8=	13%	The people I'm with are drinking it

A California Case Study

California's reputation as a US capital of draft and craft beer is as strong as ever. The state is generally regarded as the origin of the craft movement, and it's the home of pioneers including Anchor Brewing and the Sierra Nevada Brewing Co. Inspired by this heritage, California now has 961 craft breweries, employing around 50,000 people and contributing **$8.3bn** a year to the economy, according to the Brewers Association. Its annual output of **3.7m** barrels of craft beer is comfortably the highest of any US state, and the California Craft Brewers Association estimates that **95%** of state residents now live within 10 miles of a craft brewery.

Spirits still command the greatest share of BevAl in California, but beer is making up ground fast. In 2024 it accounted for **36.8%** of the total market by value—up by **0.2** percentage points from 2023. As in the rest of the US, it was the draft side of the market that fuelled this performance: it gained **0.5** percentage points of BevAl while packaged lost **0.3** percentage points.

Draft is California's preferred beer serve by some distance. It attracted **63.0%** of all volumes in the 12 months to January—nearly 11 percentage points more than the average of **52.3%** across all US states. Its sub-category trends mirror those of the country at large, with substantial growth in imported and domestic super premium brands. Within the total US market, draft also has a higher share of the lucrative imported segment, and if current trends are sustained, then taps may soon earn more than packaged products in the import segement.

Draft also wins on most other metrics in California. Its RoS is nearly double that of wine, and its velocity in craft is nearly ten times higher than packaged when both formats are stocked. Meanwhile there is a gap of nearly a dollar in pricing, which averages **$8.98** in draft and **$8.00** in packaged. All these numbers make the case for draft's growing popularity and its enormous value to Californian consumers and venue operators alike.

California Draft: Five Key Numbers

63% — **Draft's share of California's On Premise beer sales in the year to early 2025**

0.5 — **Percentage point increase in draft beer's share of BevAl sales year-on-year**

$8.98 — **Average price of a draft beer serve**

961 — **Craft breweries in 2024**

3.7m — **Annual output of craft beer barrels**

The Draft Beer Consumer

Who is the draft beer consumer in the US? CGA by NIQ's exclusive On Premise User Survey shows how demographics tilt sharply towards older, white men—but also that the base of drinkers is diversifying.

Male draft drinkers outnumber females by two to one, around half are aged 55 or over, and the overwhelming majority are white (see box). Draft's core cohort are also relatively affluent, with an average monthly spend in the On Premise of **$201—$25** or **14%** more than the figure of **$176** among all visitors.

These numbers stress the enormous value of draft beer consumers to the On Premise, and the importance of giving them consistently excellent draft experiences. But while draft has achieved a very high take-up among older and white consumers many other demographics remain under-represented. For example, while **26%** of packaged beer drinkers are aged under 34, only **15%** of draft consumers are in this bracket. Hispanic and Black people make up **23%** of packaged beer consumers, but only **13%** of draft ones.

This is a significant under-indexing, and minority groups present some of the biggest future sales opportunities. Happily, there are signs that a diversification is already underway. The numbers of women and 21 to 34 year-olds choosing a draft serve have both increased by 6 percentage points year-on-year, while those aged between 35 and 54 increased by 10 percentage points Finding ways to continue broadening this base will be key to growth in the years ahead, and in-venue advertising will be a key tool in transitioning drinkers of packaged beer and other categories towards draft (see box).

Draft Demographics

		Draft Beer Drinker	Average US On Premise Consumer	Packaged Beer Drinker
Gender	Male	67%	49%	64%
	Female	33%	51%	35%
Age	21 – 34	15%	24%	26%
	35-54	36%	35%	42%
	55+	49%	41%	33%
Ethnicity	White	85%	77%	76%
	Hispanic	8%	9%	12%
	Black	5%	11%	11%
Average Household Income		$107K	$92K	$86K
Average Spend per month on dining and drinking out		$201.20	$176.16	$166.60

What Works In Branded Advertising

How can draft beer brands attract more consumers? With more than a quarter (**28%**) of draft beer consumers likely to purchase a brand after seeing it advertised in a venue, on the same visit and during future visitation, there is plenty of potential to intervene on their paths to purchase. CGA's OPUS research reveals that coasters and glasses are the most effective forms of connection, with signs, branded handles and displays among other valuable parts of the marketing mix. Younger consumers heavily over-index for the influence of items like coasters and glasses, while older ones are less likely to be swayed by branded advertising—perhaps because they are focused more on the product itself or have already made their choices.

1. **50%** Coasters
2. **46%** Glasses
3. **45%** Neon signs
4. **39%** Tap handles / dispensers
5. **38%** Posters / banners
6. **37%** Menu boards
7. **32%** Menus

Draft Beer: **Eight Steps To More Growth**

1. Diversify

Draft beer's consumer base is starting to diversify, but it remains heavily skewed towards older white men. Finding branding, narratives, promotions and tastes that are friendlier to female and non-white consumers can unlock significant new audiences.

2. Attract The Next Generation

Capturing younger consumers is the most important part of draft beer's diversification. Converting 20-somethings to draft isn't just growing sales now—it's futureproofing the market. It needs to start with an understanding of their specific motivations, like price, variety of range and friends' recommendations, alongside implementation of in-venue touchpoints that draw the attention and incentivise purchases.

3. Stress Taste And Freshness

A superior taste and freshness are the two things that most clearly distinguish draft beer from packaged products. Consistency is vital here, and all venues need reliable, high-quality beer that is dispensed from well-maintained lines if they are to keep draft drinkers coming back.

4. Promote Value

At a time when consumer spending is tight, perceptions of value continue to be an important element of draft's growth. Emphasizing value—not necessarily cheap, but worth whatever money is paid—will help to convert more drinkers from packaged options and other categories.

5. Embrace Imports

Imported beer is comfortably the fastest growing segment of the market at the moment. Draft is an ideal showcase for new imports and a more attractive and profitable serve format.

6. Expand Range

CGA by NIQ's data shows how adding new draft beers creates a snowball effect on sales. Multiple taps don't simply dilute existing sales—they bring in more consumers, increase the frequency of visit and drive up purchase volumes.

7. Promote Sustainability

Draft beer is a good fit for the growing demand for sustainable production. Well over half (**59%**) of On Premise visitors feel the most sustainable packaging for beer is on draft—rising to **78%** of 55+ year-olds. With **58%** of consumers considering sustainability to be an important consideration when they select drinks brands, environmental messaging is important.

Step 8: Prioritize Staff Education and Consistent Maintenance

Ensure your team understands the fundamentals of draft system maintenance—and consistently adhere to a 14-day cleaning cycle as part of your preventative maintenance program. The goal is simple: your customers should never taste a difference before or after a line cleaning. Consistency in serve quality is essential to building and maintaining consumer loyalty.

Cocktails: **The Next Big Thing On Draft?**

Relative to beer, draft cocktails remain a small part of the US BevAl landscape. But there are signs that interest is growing, and that some consumers who like the taste and presentation of draft beer are embracing it as a convenient and high quality alternative to traditional cocktail serves.

OPUS shows that around half (**49%**) of On Premise visitors have had or would try a draft cocktail. This rises to **61%** of 21 to 34 year-olds, who are much more likely than older consumers to explore new serves. Men also have a much greater share of the draft cocktail demographic than they do in traditional cocktail serves—perhaps because they are more familiar with draft from their beer purchases.

What Every Bar and Restaurant Owner Needs to Know About Maintaining Draft Beer Systems

If you find yourself in charge of a draft beer program, there are a few key points you need to know to maximize both the experience for your customers and the value of your investment.
A clean, well-maintained draft beer system not only protects your reputation but also drives profitability. As we see in this report, draft beer is a highly valuable beverage category—if you take care of your system.

Every draft system should operate under a clear preventative maintenance program. The goal is simple: ensure that your customers never experience degradation in flavor, aroma or presentation of the draft beer you serve. The foundation for this program can be found in the Brewers Association's Guidelines for Draught Beer Quality—a gold standard for operators who care about delivering beer as the brewer intended (visit www.brewersassociation.org).

Sales
+4-7%
(Brewers Assoc. Study on 2wk cleaning cycle)

Why It Matters

Draft beer is a living product that is sensitive to time, temperature, and cleanliness. A neglected system can rapidly develop bacterial and yeast films (biofilms) inside the lines, leading to off-flavors, poor aroma, foaming issues and, quickly, declining sales. A well-maintained system protects your investment and keeps customers coming back for more.

Operators today are also under greater pressure to document cleaning compliance for brewer partners, quality audits, and internal training. This is where digital cleaning logs and tools like Draftline Technician provide unmatched visibility and accountability.

The Business Case for Proper Cleaning

Recent research highlights the direct financial impact of line-cleaning frequency. Research from the Brewers Association, supported by a recent study conducted by Draftline Technologies, shows that simply moving to a two-week cleaning cycle from an extended 4 to 8 week cycle can raise draft beer dollar sales by up to **7%**. Conversely, extending the cleaning cycle to 5 to 8 weeks produces a decline of **-7%** in draft beer sales. These results demonstrate that clean beer is not only better for the customer experience—it directly impacts your bottom line.

Why Digital Tracking Matters

Today, brewers, distributors, and customers alike are demanding higher levels of transparency and accountability around draft quality. That's why more operators are moving to smart draft management platforms like Draftline Technologies. These provide:

- ✓ Automated digital cleaning logs
- ✓ Real-time alerts for overdue maintenance
- ✓ Visibility across multiple locations
- ✓ Proof of cleaning and verification tracking.

A properly maintained draft beer system is an asset that elevates your brand, delights your customers and maximizes profitability. Neglecting this system leads to declining quality, lost sales and damaged reputation. By adopting digital tracking tools—today's operators can ensure they consistently deliver the very best of the brewer's art, every time the tap is opened.

Draftline Technologies is the leading digital platform for managing and verifying draft beer system cleaning and maintenance, helping operators, brewers and distributors optimize draft quality and protect beer sales.

Make Draft Work

Draftline Technologies is the parent company of Draftline Technician Services and Draftline Data. Draftline's platform "makes draft better" for modern beverage distributors and third-party service companies through its suite of data-driven, On Premise compliance, market analytics, and sales tools. Draftline is the On Premise draft leader, tracking over 1,000,000 draft lines in 100,000 accounts across 40 States.

Jennifer Hauke

Founder and Principal, Draftline Technologies

Jennifer Hauke is the Founder of Draftline Technologies. Jennifer has spent the last thirty years working in the On Premise draft category, beginning with her family's company in Detroit, Michigan. With a background that includes everything from draft service, installation, administration, and routing to product research, software development, data implementation, and sales strategy. Jennifer and her husband, Drew have three children and call Winter Park, Florida home.

Testimonials

"The information that we receive from Draftline reports is incredibly valuable. We are two steps ahead of our competition and our Team Leaders can lay out effective plans from their sales teams. By targeting specific competitive brands, we can reference where we are missing opportunities for increased distribution and sales. It is a great tool to get a bird's eye view of the overall market, and to pinpoint underrepresented breweries, brands, accounts, and territories.

Our seasonal conversations have increased by tracking competitive brands lingering in the market past their seasons.

Draftline has also given us an advantage when launching new suppliers. Using different reports, we can custom tailor a target list of accounts for distribution that makes sense and doesn't hinder the performance of any other brands in house. We can monitor open draft lines available in the market and identify where product churn is happening too frequently.

Draftline will absolutely put you in a position to increase your market share of taps, and we all know that leads to increased sales and profitability."

Nick Berg , On Premise Team Leader – NBWA

About CGA by NIQ

CGA by NIQ provides definitive On Premise consumer intelligence that reveals new pathways to growth for the world's most successful food and drink brands. With more than 30 years of best-in-class research, data, and analytics, CGA by NIQ provides the Full View(TM).

CGA by NIQ works with food and beverage suppliers, consumer brand owners, wholesalers, government entities, pubs, bars, and restaurants to protect and shape the future of the On Premise experience. Using the most complete and clear understanding of measurement and insights, CGA by NIQ provides a competitive edge to guide winning strategies for On Premise businesses.

For more information, visit **www.niq.com** and contact Matt Crompton, vice president – North America, CGA by NIQ, at **matthew.crompton@nielseniq.com**.

About Draftline Technologies LLC

Draftline operates in 40 states. The Draftline database tracks tap handle data in 100,000+ on-premise accounts and over 1,000,000 draft beer lines. Our Draftline Data product offers a suite of reports to measure brand performance, monitor new tap handle placements, and identify opportunities for growth. To "make draft better" we offer a Technician Services product for managing and monitoring beer line system maintenance which includes the capabilities to provide third party service audits, and supplier compliance tools. **www.draftlinetechnologies.com**

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