

Consumer appetite for non-alcoholic drinks sends category growth climbing

The 'sober curious' trend is on the rise, driven by increasing consumer demand for non-alcoholic products that provide an elevating drinking experience. IWSR, a trusted source of data and insight on the global beverage alcohol market, the no/low alcohol category value surpassed \$11bn in 2022 up from \$8 billion in 2018.



Source: Supplied

No/low-alcohol consumption is estimated to increase by a third by 2026, spearheaded by growth of non-alcoholic products which are expected to account for over 90% of the forecast total category volume growth. The study cites improved taste, production techniques and a diversification of consumption occasions that are driving non-alcoholic's dominance over low alcoholic in many markets and it's expected that the non-alcoholic category volume will grow at a compound annual growth rate (CAGR) of +9% between 2022 and 2026.

Interestingly, non-alcoholic spirits will see some of the more dynamic growth as brand owners invest in innovation and products are given more space by retailers and on-trade, the study states.

Elevated drinking experiences

Karl Fielding, VP for the Middle East and Africa for non-alcoholic spirits company Lyre's, says that the non-alcoholic sector is undergoing a revolution in terms of popularity as an increasing number of people are choosing to avoid alcohol on certain occasions or abstain from it completely.

“Consumers' palates are becoming more adventurous and sophisticated in cuisine and beverage choice. High-end independent restaurants are at the forefront of catering to these desires and that's where we are seeing the most demand for Lyre's products,” Fielding explains.



Former Pernod Ricard exec and SA female distiller partner on non-alcoholic brand

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He points out that the ‘sober curious’ and ‘better for you’ lifestyle is driven by many factors. “The 18 to 35-year-old demographic are spending more time than ever across social sharing platforms and building their own identity. We know that post-Covid consumers are spending more time being social, out with friends, but also want to capitalise on their free time with rewarding experiences like going to the gym and experimenting with things like mixology and cooking.”

He continues: “...The entire non-alcoholic category has grown significantly; this is really driven by an increase in moderating alcohol consumption and a thirst for elevated drinking experiences for drinkers and non-drinkers alike. Globally nearly a third of people are not consuming alcohol when they are out.”

Mindful drinking

Fielding says that the ‘mindful drinker’ are consumers who are moderating their consumption of alcohol. “Whether this is taking part in ‘non-drinking’ months and occasions or just drinking less when they are out, people are driven by taste and experience rather than alcohol strength. This has led to the growth of both the non-alcoholic and low-alcoholic cocktail trend.”

He also points to ‘frictionless drinking’ - explaining that swapping non-alcoholic and alcoholic drinks interchangeably is all about moderation.

“We know that more people are drinking less, rather than not drinking at all. This may mean switching from alcoholic drinks to non-alcoholic whilst out or choosing to reduce the number of occasions that they consume alcohol. The availability of sophisticated non-alcoholic options now gives consumers a better, more socially inclusive option when out as opposed to say water or soda,” Fielding says.



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Lyre's is available in over 60 countries and launched in South Africa in 2022 offering a range of equivalents to the most popular spirits in a non-alcoholic format including Dry London Spirit (gin alternative), Italian Spritz (for a classic spritz), American Malt (bourbon alternative), Coffee Originale (for an espresso martini) and White Cane Spirit (perfect as an alternative to white rum).

“From our in-depth focus groups, we did with non-drinkers we found the consistent complaint about mocktails was their sugar content and the basic flavour profile, therefore there is a clear gap in the market for a well-crafted cocktail imbued

with complex and sophisticated flavours and this is what Lyre's is catering to," he concludes.

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