



No-Alcohol & Functional Drinks Both Booming, but for Different Reasons

by The IWSR Drinks Market Analysis, www.theiwsr.com

Both no-alcohol drinks and the "alcohol adjacent" drinks (including functional beverages) are surging in popularity, but, according to new data released by IWSR, the two categories are not in direct competition. Consumption of each category is driven by diverging consumer trends.

In a survey of no/low-alcohol buyers across ten key markets, the most commonly cited motivations for buying no-alcohol analogue products like no-alcohol beer or no-alcohol wine were health related. 37% of those choosing no-alcohol beer and 40% of those choosing no-alcohol wine and no-alcohol spirits cited "a healthy lifestyle choice."

Meanwhile, only 26% of respondents cited choosing "alcohol adjacent" drinks for the same reason, a lower percentage than any no-alcohol analogue product. Alcohol adjacents include non-intoxicating hemp beverages, nootropic and adaptogenic functional beverages and drinks with alcohol cues such as botanicals, sparkling tea and fermented beverages.

Alcohol adjacent beverages were most likely category to be chosen "to experience similar effects to alcohol through functional ingredients" (17%), or because "I was curious to try it" (20%).

Despite catering to different consumer needs, the two categories are poised for continued rapid growth

IWSR expects the global volume of no-alcohol analogues (including no-alcohol beer, wine, RTDs and spirits) to have grown by +9% in 2025. The category is forecast to grow 36% by volume between 2024 and 2029, reaching over 18 billion servings of no-alcohol analogues in 2029 (enough for every person on the planet to consume two each).

Although growing from a much smaller base, alcohol adjacent beverage volumes are also surging. IWSR expects the category to have grown by +11% volume during 2025.

According to IWSR Head of No & Low Alcohol, Susie Goldspink, the beverage alcohol sector must prepare for diverging consumer preferences to fully capitalize on the two growing trends: "No-alcohol analogues like no-alcohol beer and wine are an increasingly popular way for drinkers to moderate their alcohol intake. By mimicking the taste and appearance of alcoholic beverages, drinkers who want to moderate can participate fully in occasions without feeling left out. Alcohol adjacent drinks are also growing in popularity, but consumers are using them in a different context, choosing them more for their functional benefits rather than as a mechanism for moderation. Both categories are poised for continued strong growth, but most likely as distinct products, not competitors."



NABC Annual Symposium on Alcohol Beverage Law & Regulation

The National Alcohol Beverage Control Association (NABC) holds its 33rd Annual Symposium on Alcohol Beverage Law & Regulation from March 15-17 in Arlington, Va.

The Symposium begins the evening of Sunday, March 15, with a small welcome reception, and it takes place at The Ritz-Carlton, Pentagon City, in Arlington, Va.

NABC strongly encourages attendees to register and book hotel accommodation early and no later than February 17.

All information is available [here](#).

NABC December 2025 Control States Results

December closed 2025 on a modestly positive note for spirits, with 9L volume increasing +0.4%, despite \$Vol declining -1.4%, resulting in a negative price mix of -1.8%.

The volume gain was primarily calendar-driven, reflecting 10 additional selling days versus last year.

Michigan and Utah each benefited from three extra days, while Alabama, Mississippi, Montana and North Carolina each added one day.

Excluding these added-day impacts, Pennsylvania, West Virginia, Wyoming and Montgomery County also delivered positive 9L volume performance in December.

For full year 2025, spirits ended down -1.4% in 9L volume and -2.8% in \$Vol, yielding a -1.4% price mix.

Despite the positive December 9L volume result, category growth remained narrow. Only Cocktails (led by canned RTDs), Cordial and Tequila posted positive 9L volume. On a full-year basis, Cocktails and Tequila were the only categories to remain positive in both 9L volume and \$Vol, while Domestic Whiskey, Gin and Scotch were the only segments to sustain a positive price mix.

Wine showed improvement versus prior months in December, with 9L volume up -3.0%, though \$Vol declined -4.4%, resulting in a -1.4% price mix. For the full year, wine remained challenged, finishing down -5.7% in 9L volume and -4.3% in \$Vol, producing a +1.4% price mix.

continued on page 2