



Economic Pressures Drive Continued U.S. Beverage Alcohol Decline

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

Recently released IWSR figures suggest a performance largely in line with market expectations in 2025, with RTDs continuing to gain share and super-premium products bucking the overall negative trend.

U.S. total beverage alcohol (TBA) volumes contracted by -5% in 2025 as economic pressures continued to weigh on consumers and to shape their drinking behavior, according to preliminary figures from IWSR's U.S. Navigator product, which provides a monthly read of total-market category volumes across all 50 U.S. states.

Declines were seen across all major categories, with beer volumes down -5%, wine decreasing by -6% and spirits falling by -4%. However, RTDs, which were down by only -1%, continued to gain market share.

According to IWSR Bevtrac consumer research, cost is now the most common driver of moderation in the market, with 31% of U.S. drinkers citing this as a reason for drinking less.

"As a result, consumers are becoming more selective about where they allocate their alcohol spending, increasingly evaluating purchases based on their own price-to-quality ratio," said Marten Lodewijks, IWSR Managing Director & President. "Rather than broadly trading down, drinkers are choosing to pay more only when a product clearly justifies its price."

This latter point is reflected in the +1% volume increase in the super-premium price tier last year, bucking the generally negative trend.

While beer remains the largest beverage alcohol category in the U.S. market, accounting for roughly two-thirds of TBA volumes, RTDs have made rapid inroads since 2019, and once again clearly outperformed the other major TBA categories in 2025.

Thanks to a winning combination of convenience, flavor innovation and brand recognition, RTDs' TBA volume share has expanded from 6% in 2019 to 13% last year, highlighting the category's resilience and growing significance in the beverage alcohol marketplace. Spirits-based RTDs continued their strong performance growing 14% in 2025 vs. 2024.

Elsewhere, category performance in 2025 was broadly aligned with expectations, with established consumer trends continuing to shape demand.

"Several segments performed largely in line with forecasts, including vodka, Canadian whisky and other whisky categories, which all saw declines, reflecting stable demand and limited innovation within these segments," said Lodewijks. "In some categories, modest improvements were supported by new product launches or continued consumer interest in familiar brands."

However, structural pressures continued to affect the performances of certain categories. As economic conditions put a squeeze on discretionary spending, Cognac volumes remained under pressure.

"In contrast, a few smaller or niche segments, such as no-alcohol beer and certain emerging spirits categories, continued to perform relatively well from a smaller base," added Lodewijks. "But overall, the results suggest that category-level trends in 2025 largely reflected the market environment anticipated earlier in the year."

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El Mayor Tequila Partners with Tales of the Cocktail Foundation

El Mayor Tequila from Luxco — the premium tequila from the Gonzalez family — has partnered with master mixologist Tiffanie Barriere to support Tales on Tour industry events, a Tales of the Cocktail Foundation (TOTCF) initiative designed to bring the education, community and celebration of cocktail culture to bartenders and hospitality professionals across the U.S. El Mayor will be onsite in each tour city to deliver product education led by Master Distiller Graciela Gonzalez.



To enter, go to: LuxcoContest.com/National

"At its core, Tales on Tour brings the greater bartender community access to education, innovation and meaningful opportunities to grow," said El Mayor Brand Manager Kayleigh Longo. "As tequila continues its rise in modern cocktail culture, we're proud to support a platform where novice and professional bartenders can learn, connect and showcase their creativity."

In addition to the El Mayor Tour presence, the Tales of the Cocktail Foundation is giving two U.S. bartenders and their plus ones a Tales of the Cocktail (TOTC) Scholarship to attend the 2026 TOTC event in

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