



## Growth of \$4bn+ Expected from No-Alcohol Category by 2028

by The IWSR Drinks Market Analysis, [www.theiwsr.com](http://www.theiwsr.com)

Latest IWSR data highlights the U.S. and Brazil as key growth markets for no-alcohol.

The no- and low-alcohol drinks market is experiencing a transformative period of growth, driven by evolving consumer behaviors and the momentum of no-alcohol. Across 10 key markets, the combined no/low-alcohol market is expected to expand by +4% volume CAGR through 2028, with no-alcohol driving the majority of this growth, at +7% volume CAGR, while low-alcohol volumes remain broadly static. The no-alcohol category is expected to deliver incremental growth of \$4bn+ by 2028.

Latest findings from IWSR's *No- and Low-Alcohol Strategic Study 2024* show that the no-alcohol segment recruits more new consumers than its low-alcohol counterpart, with an increase of 61m buyers versus 38m for low-alcohol (2024 vs 2022) in the 10 key markets (Australia, Brazil, Canada, France, Germany, Japan, Spain, South Africa, U.K., U.S.).

New recruits entering the category are skewing younger than the core buyer demographic across markets and demonstrate higher frequency and intensity of consumption. In line with global trends, alcohol purchases among no/low buyers are decreasing, particularly in the beer and wine categories. Across the 10 key markets, per capita consumption in liters of pure alcohol is at 80% of its level in 2000.

As the no/low category develops and more products come to market, other drivers besides alcohol moderation are becoming increasingly important in increasing consumption frequency, particularly in emerging no-alcohol categories. Factors such as taste, availability and brand are increasing in importance in categories outside of no-alcohol beer.

Susie Goldspink, Head of No- and Low-Alcohol Insights at IWSR, noted: "As the no-alcohol category matures, consumers want more than just an absence of alcohol. They want products that deliver on taste, complexity, and overall drinking experience. This evolution is pushing the category further, prompting brands to innovate and raise the bar in terms of quality and variety."

Other findings from the *IWSR No- and Low-Alcohol Strategic Study 2024* include:

### No-alcohol will continue to drive future growth

Strong growth across no-alcohol categories has continued throughout 2024, with RTDs expected to have the fastest growth rate through to 2028, off a lower base (+10% volume CAGR, 2024-2028). Beer will grow at 7% volume CAGR and will continue to lead future no-alcohol growth in absolute volume terms.

No-alcohol's share of TBA across the 10 key markets will increase to over 3% by 2028, with its share of the US TBA market doubling in that time. Brazil, Canada and the U.S. will see higher growth in the no-alcohol segment in the near future, whereas growth is predicted to be more gradual in Spain, South Africa and Germany.

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## U.S. Beverage Forms Spirits Division

U.S. Beverage has formed a spirits division to handle craft spirit brands that find it challenging to get the attention of national distributors. This will include the exploding RTD/RTS segment.



Ken Aufiero, USB Director of Spirits

"For nearly three decades, U.S. Beverage has been focused on leveraging our national network to build craft and imported beers and FMB brands," said Justin Fisch, USB President and CEO. "As a result of those efforts, we have an exceptional team that can provide a full suite of services for domestic and import brands, including sales and marketing, regulatory and back-of-house logistics. We've also built an outstanding network of large and small distributors across the country so it only makes sense to add a team who can leverage our exceptional skills and existing network to serve spirit brands who are looking for a more efficient route to market to fuel their continued growth."

The new division will be led by Ken Aufiero, who joins USB as Director of Spirits. Aufiero brings more than two decades of sales, marketing, distributor and supplier experience in the wine and spirits industry, working for companies such as Bacardí, Fedway Associates and Proximo Spirits. The Spirits Division has recently added new brands to the USB portfolio: Brody's Crafted Cocktails and Beehive Distilling, which join Dewey Crush, who signed with USB earlier in 2024.

"For some time, consolidation has been stifling opportunities for craft spirit brands to get on the radar of the multi-national organizations," added

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