



How Might Gen Z Reshape Beverage Alcohol in the U.S.?

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

IWSR analysis highlights three key ways in which Gen Z holds a different relationship with alcohol, and what it may mean for the industry in future.

The emerging Gen Z demographic in the U.S. is already enjoying a very different relationship with beverage alcohol to older age cohorts — embracing moderation, abstention and the exploration of new, non-traditional categories such as RTDs. If continued, these behaviors have the potential to shift the market landscape in the years ahead.

Gen Z consumers of legal drinking age in the U.S. (defined by IWSR as those currently aged 21-26) are also key drivers of economic moderation, since they are likely to be disproportionately affected by cost-of-living pressures and student loan payments. They are less likely to have savings or be high earners and are more exposed to short-term changes in living costs.

However, they are also more inclined to spend more when they can afford to, displaying more hedonistic spending patterns and behaviors driven both by social needs and peer pressure to keep up with the latest trends, and by the reassurance that higher prices convey to those who are relatively inexperienced in an FMCG category.

IWSR does advise a note of caution: “The U.S. legal drinking age means that, for now, Gen Z is very underrepresented in the U.S. beverage alcohol market,” said Richard Halstead, COO Consumer Research, IWSR. “Added to this, three of the past four years have been under the cloud of the pandemic, and this group, coming of age during that time, would have been particularly impacted.”

“The fact that most in this age cohort have only been able to drink alcohol for a short period of time means that we are still searching for clues as to how they will behave when the whole cohort is present in market,” added Marten Lodewijks, Director of Consulting – North America, IWSR. “So they are not redefining the U.S. beverage alcohol market — yet. But this should not stop us from identifying some of the ways in which they might do so in future.”

IWSR has identified three key ways in which Gen Z might reshape beverage alcohol in the U.S.:

1: Moderation as default setting

In stark contrast to many earlier generations of younger legal drinking age consumers in the U.S., for LDA Gen Z, moderation is increasingly a default setting. It is a lifestyle choice, but also in some cases an economic or social necessity. If social activities revolve around other beverages (or non-drinking occasions altogether) there is less requirement to choose alcohol.

Along with Millennials, they are driving no- and low-alcohol growth, with some 75% of Gen Z consumers in the U.S. moderating their alcohol consumption, compared to an average of 64% across ten key no/low-alcohol markets.

New entrants to no/low-alcohol — spearheaded by younger age cohorts — are purchasing more frequently than more experienced consumers; this age segment also tends to consume these products more intensively and in a

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USBG Executive Director Search

The United States Bartenders’ Guild (USBG) has begun a nationwide search for the organization’s next Executive Director.

“The USBG seeks a new executive to build upon departing Executive Director’s Aaron Gregory Smith’s projects, which brought the Guild’s operations into the modern age while navigating an industry in crisis during a global pandemic which effectively shut down the hospitality industry,” according to a USBG statement.

“Never before in our 76-year history have we had the unprecedented chance for the organization’s leadership to positively influence its future,” said USBG President Ingrid Rodriguez. “Our board members eagerly anticipate evaluating Executive Director candidates who offer innovative perspectives, robust organizational abilities and valuable insights gained from experience.”

The USBG executive committee has the authority to serve as the search committee or to delegate authority to an independent search committee. For this, the USBG’s first executive transition, the committee selected a search committee to execute the succession plan.

The Executive Director search is a transparent process that begins with the formation of a nine-member search committee comprised of seven industry leaders led by Jess Pettitt and Marc Pitman as non-voting co-chairs, both of whom are outside consultants with years of association and philanthropic expertise. Committee members have been selected to provide the widest and most diverse swath of bartending, drinks and hospitality industry professionals in order to maintain the organization’s commitment to a well-informed search.

While the search for a new Executive Director is ongoing, operations at the Guild remain business as usual. Jarrette Moore, currently Director of Membership and Marketing, will be named acting Executive Director effective July 1. Smith will be available to provide counsel and mentorship to the new Executive Director who may come from another field.