

As drinking declines, has Dry January lost its shine?

Article



As younger consumers grow increasingly comfortable with abstinence, and the non-alcoholic sector grows, brands and retailers should reconsider how to approach Dry January.

The US is leading the global shift toward non-alcohol beverages, with an 18% projected annual growth rate from 2024 to 2028, according to EMARKETER's "Alcohol 2025" report.

• Only half of US consumers in the 18-35 age group consume alcohol, compared with 70% of 35-54-year-olds, according to a July 2024 survey from Gallup.

Dry January was only slightly drier than last year for beer and liquor sales, with average spend per customer on wine seeing a slight increase from \$19.86 to \$20.60, according to data from data platform Attain.

While Dry January remains a cultural trend, experts stress that brands should consider consumption habits throughout the year, and how drinking less relates to the broader values of their core audiences.

Not just January

Attain data does show that January had the most noticeable decline in alcohol spending since January 2024. However, it also shows a gradual decline of beer and liquor throughout the year.

Attain co-founder and CEO Brian Mandelbaum said this could suggest "a preference for lighter drinking, rather than total abstinence."

Gen Z's drinking habits, or lack thereof, reflect that decline in alcohol sales.

"<u>Gen Z</u> is taking a more mindful approach to alcohol, and there's a general lifestyle push towards a more balanced lifestyle," said Kate Graham, marketing manager at UTA NextGen, whose clients include Molson Coors and <u>Meta</u>. "There isn't as much pressure to spend a period of time not drinking."

Dry January still boosts the non-alcoholic industry and invites new consumers into the space, said Hilary Sheinbaum, founder of GoingDry.co and author of "Going Dry: A Workbook."

"While people might not be drinking as much throughout the year, Dry January is just a reminder on the calendar," she said. "There's that strength in numbers, and calling attention to a singular month really gets people excited."

Chasing adjacent trends

Younger consumers' attitudes toward drinking mirrors their approach to health and wellness.

53% of US Gen Zers want <u>brands</u> they patronize to support mental health, according to a survey from ICSC and Big Village.



- Gen Z engages heavily with <u>skincare</u> brands, <u>prebiotic soda</u>, and <u>brands that support their</u> <u>sleep</u>.
- This priority is also apparent in the travel sector. 83% of Gen Z travelers show interest in booking sober experiences, according to a Contiki survey.

"Gen Z is averse to labeling so many of their identities," said Graham. "More people feel comfortable labeling themselves as sober, but it can also be limiting."

Graham stressed that the success of non-alcoholic beverage brands like Olipop, Poppi, and Ghia doesn't just come from consumers' drinking habits. Those brands have also gained a following from their messaging.

"Beverages are so linked to personality these days, and I don't know if the alcohol industry has really approached that yet," she said. "As a generation that is always trying to show who they are with the things they purchase, how is the beverage industry responding to that with both non-alcoholic and alcoholic options?"

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