

How nonalcoholic drinks stand out in a crowded beverage market

Article

It's not just O'Doul's anymore. The nonalcoholic beverage market has burst open, with brands from Heineken (which drew attention with its [0.0 Super Bowl ad](#)) to micro not-quite-distilleries getting in on the profits.

Uncorked: [The market for nonalcoholic beverages](#) across all categories grew 25% to \$1.2 billion in 2022, according to IWSR Drinks Market Analysis data cited by The Wall Street

Journal.

- Ecommerce platform **Drizly saw sales of nonalcoholic spirits increase** by 155% YoY in January, according to Drizly data cited in The Spirits Business.
- **Nonalcoholic spirits sales increased** by 88.4% between August 2022 and the previous year, according to data from NielsenIQ.

Many nonalcoholic spirits companies are pushing marketing beyond sobriety to overall health.

- “We’re not trying to stop anyone from drinking,” said Hebe Mills, marketing manager at **Pentire Drinks**, an alcohol-free drink company. Instead, Pentire is “making sure [our customers have] got a really good-tasting alternative.”
- The company steers away from sobriety in marketing. Around 80% of Pentire customers still drink alcohol, said Mills.

Instead, these boutique brands focus on health and lifestyle. “If you want to get up on a Thursday and go for a surf or a run or cycling, whatever you’re into, it’s like knowing you can still be part of an occasion and have a drink the night before without waking up feeling rubbish,” said Mills.

- By focusing on health and wellness, zero-alcohol brands can hit the 59% of US consumers who prefer to buy from **companies that reflect their values**, per Morning Consult.
- Health and wellness are safe marketing bets, considering some 78% of 13- to 39-year-olds are proactively **working on their wellness**, according to YPulse.

Bottling up success: While category growth is good news for nonalcoholic beverage companies, the increased competition means brands need to stand out.

- Nearly **\$10 million in US TV ad spend** came from nonalcoholic beer companies in January, according to iSpot.TV Inc. data reported by The Wall Street Journal.
- Large distributors with more money to spend have an advantage in TV advertising, which means smaller brands need to use tactics like social media, email marketing, and community-building to stand out—or hope for acquisition by a big name.

But consumers may be hesitant to spend in the current economic climate, especially in the US and UK. That’s why product quality is so important, according to Mills. “People do choose to

spend more for something that they know has got good materials or good ingredients, whether that's apparel or food and beverage.”

Last call: No-alcohol options are becoming part of the overall beverage market. Competition for nonalcoholic beverages is dense, but as wellness continues to boom, quality products will stand out.

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