

Trends in the Alcoholic Beverage Industry US and Europe

How ready-to-drink, conscious cocktailing, and cost-sensitivity are impacting alcohol marketing strategies.

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There have been significant shifts in drinking trends and habits across the global alcohol industry. At-home consumption has increased in recent years as people broaden their horizons and experiment with new kinds of alcohol, while 'cocktailing' is now a verb and a hashtag.

Elsewhere, rising economic pressures across Europe and the U.S. are giving consumers pause for thought. Many are now moderating their consumption and prioritizing high-quality beverages when they do indulge. This combination of factors led to a slight decline in total alcohol volumes in 2024, prompting market analysts to label it a 'reset year' for the industry.

So, what's next for the alcohol industry? To help you navigate the years ahead, we've put together a primer on the key trends to watch out for – along with a selection of proven alcohol marketing strategies to help you capitalize on them.

LANDSCAPE

CURRENT LANDSCAPE OF THE ALCOHOL INDUSTRY

The U.S. and European markets show modest growth after a quiet couple of years

Revenue from alcoholic drinks (at home and out of home)



0.4%
increase in 2024

2.09%
expected annual growth
(CAGR 2023-2028)



3.5%
expected annual growth
(CAGR 2023-2028)

Market Value



KEY ALCOHOL INDUSTRY TRENDS

1 Spirits Fall as Costs Rise

2024 was a slow year for spirits. Despite positive early signs, the Wine and Spirits Wholesalers of America (WSWA) reported a 3.9% drop in sales in 2024 – which analysts predict may continue in 2025.

Changing consumer preferences and declining alcohol consumption among younger generations are two reasons for the change. But rising costs are the biggest culprit. In the face of financial uncertainty, consumers are reluctant to spend \$30, \$40, or \$50+ on alcohol.

Premium spirits (\$100+) saw a decrease in sales



12.5% out of home

8.5% at home

2 Ready-to-drink Consolidates its Position

The ready-to-drink (RTD) segment has emerged as a significant force in the alcohol industry in recent years. According to NielsenIQ, it's now the fourth major category after beer, wine, and spirits.

It's easy to see why canned cocktails appeal to today's discerning consumers. Aside from changing tastes, RTDs require little to no prep time – making them a fast and convenient way to enjoy cocktails. 28% of respondents in one survey said they purchased at least one pre-mixed cocktail every week.

The RTD sector was the only major alcohol category to record volume growth last year. RTDs posted a 2% volume rise, with Mexico (up by 8%) and Germany (up by 4%) reporting the biggest increases.

This appetite for RTDs will see the market reach a total value of \$40B by 2027, according to some analysts.

Convenience in a can

17%
of consumers
drink RTDs out
of home



Driving innovation

50%
of alcohol innovation
dollars come from
RTD

SUNTORY
GLOBAL SPIRITS

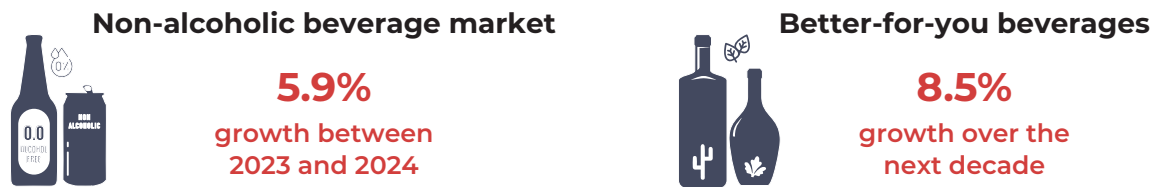
Suntory Global Spirits has achieved great success with its On the Rocks bottled cocktails. Steady year-on-year growth, driven by strong partnerships in the hospitality industry, has allowed the beverage giant to expand its range. In 2024 alone, Suntory released two new products: the Strawberry Daiquiri and Blue Hawaiian LTO.

3 Mindful Drinking Boosts Low- and Non-alcoholic Beverage Sales

Increasing awareness of the risks associated with excessive alcohol consumption and a generational shift towards healthier lifestyles will continue to boost sales of non-alcoholic beverages. This is especially true among Gen Z, who recently earned the unique distinction of soberest generation in history. In 2024, non-alcoholic beverages were the third-fastest growing category in the U.S. Manufacturers are taking heed, with many joining the race to introduce new products to capitalize on this trend. Major brands, including Heineken, Peroni, Seedlip, Guinness and Don Julio Tequila, have all released low- or no-alcohol products in the past few years.

Global non-alcoholic beverage sales grew by 5.9% between 2023 and 2024, with continental Europe showing significant momentum. Sales of dealcoholized wine have increased by more than 25% over the past five years. In France, consumers drank 32 million litres of alcohol-free wine in 2023.

Elsewhere, analysts predict the **better-for-you beverage market to grow by 8.5% over the next decade, reaching a value of \$484 million by 2034.**

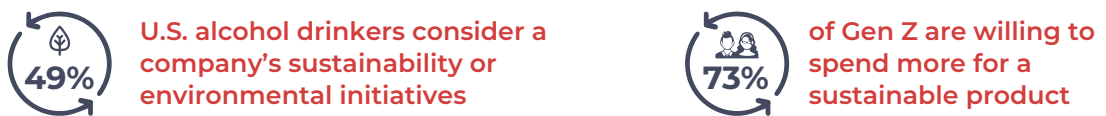


Sales of Heineken's 0% beer increased by 14% in the first half of 2024, reflecting an increasing demand for low- and no-alcohol alternatives. In Europe, Heineken 0.0 now accounts for 4% of annual sales.

4 Sustainability Takes Centre Stage

Sustainability will remain among the key alcohol industry trends in the coming years. As concerns around climate change grow, consumers will increasingly gravitate towards eco-friendly brands. Brands are already adapting their processes to meet expectations. Brockmans recently launched a new, lightweight bottle that contains 30% less glass. While discount supermarket chain Aldi is among a growing number of retailers and alcohol brands that are replacing glass bottles with low impact aluminum and even paper-based alternatives.

Away from packaging, brands will double-down on sustainable ingredient sourcing and explore more efficient ways to recycle waste. This will go a long way retaining customers. According to the Kerry Group, 49% of consumers say they consider a brand's commitment to sustainability or environmental initiatives before purchasing alcohol products.



Gin-maker Hayman's **Respirited** is a vodka made from the grain alcohol left over from its gin production. The vodka comes in a recycled bottle wrapped in a compostable capsule with a catchy tagline "This vodka is rubbish".

5 Tea-based Tipples Make a Mark on the Alcohol Industry

Coffee is a well-known ingredient in cocktails – from black russians to espresso martinis. Tea isn't as common in alcohol products, but that's changing.

Popular brands including Jack Daniels and Lipton have expanded their hard tea RTD product ranges in recent years to meet. In Bacardi's Global Brand Ambassador Survey, 32% of respondents said they were interested in tea-based beverages. This includes basic black teas and more exotic blends.

All of these factors translate to a positive economic outlook for the hard tea market. Between 2023-2028, analysts project an 18% growth in hard tea product sales, driven primarily by the U.S.

Hard tea market growth



18%
sales increase
2023 - 2028



Surfside sold 1.3 million cases of its vodka tea and vodka lemonade RTD products in 2023, representing a 563% increase over the previous year. The brand's incredible success has seen it expand from 7 U.S. states at the start of 2023 to 42 in 2024.

6 Subscription-based Services and Home Delivery Prove Convenience is King

Following a similar trend in the online grocery market, the alcohol industry is experiencing a surge in demand for subscription-based alcohol services and home delivery. Millennials and Gen Z are driving this trend, as they crave convenience and variety from their brands.

With subscription-based models, consumers can enjoy curated selections of their favorite beers, wines, and spirits from the comfort of their own home. For many, subscription services provide a convenient and affordable way to indulge in tried-and-tested tipples, while also giving them the opportunity to experience new flavors.

Analysts project a 20.7% growth in the global wine subscription market between 2023 and 2033, achieving a value of \$3.9 billion. The North America Wine Subscription Service Market size is projected to reach USD 2.4 Billion by 2030, growing at a CAGR of 9.2% from 2024 to 2030.

Global Wine Subscription



\$596.5M
by 2033

Global Alcohol box Subscription



\$596.5M
in 2024 **22%**
CAGR 2025-2030

6 TACTICS TO REFRESH YOUR ALCOHOL MARKETING STRATEGY

As the alcohol industry landscape shifts, so too do drinker profiles. Predicting preferences based on things like nationality and gender is no longer possible as traditional assumptions grow increasingly outdated. For example, 36% of U.S. whiskey drinkers are women and 41% of wine drinkers are men. And while the UK is often regarded as a nation of beer drinkers, 36% of the population say wine is their drink of choice.

The alcohol industry will become more diverse in the years ahead. Understanding how to appeal to these disparate audiences will enable brands to maintain their market position and uncover new growth opportunities.

1. Appeal To Gen Z's Appetite for Authenticity & Responsibility

Communicating your values is essential to marketing high-end alcohol products. For the most part, this means showcasing your heritage, motivations, and community spirit. Highlighting facts around traditional brewing practices or sustainability initiatives can encourage consumers to spend more on higher-quality products.

Gen Z especially makes buying choices that align with their values, but authenticity is the name of the game. They expect honesty from their brands and are quick to spot anything disingenuous, like greenwashing. 41% of consumers say they boycott brands that exploit public sentiment.



Super-premium tequila brand, Patrón, created a video campaign showcasing the traditional processes and artisanal craftsmanship used at its distillery in Mexico. The campaign tells the story of a typical bottle, which passes through 60 hands during production. This includes everyone from local farmers and fermenters to distillers and bottlers. The campaign underscores the brand's heritage, assuring customers that Patrón is made the same way today as it was 400 years ago.



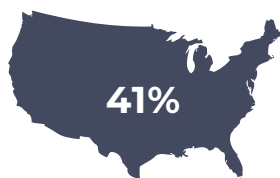
Heineken launched Inch's Cider, an eco-friendly brand that champions sustainability and innovation in its locally-sourced production processes, with Heineken converting all apple waste into green energy. To align with the brand's green credentials, the launch campaign used recycled paper and encouraged viewers to make small lifestyle changes to reduce their carbon footprints. Not only did the campaign increase sales, it galvanized the cider category by appealing to younger demographics.

2. Create a Halo Effect From On-Premise Activations

Brand activations have become an important way to engage consumers in the alcohol industry. 75% of people will purchase a drink they've tried and enjoyed at a bar, restaurant, or club for home consumption. And this 'halo effect' is vital to leaving a lasting impression in an increasingly competitive landscape.

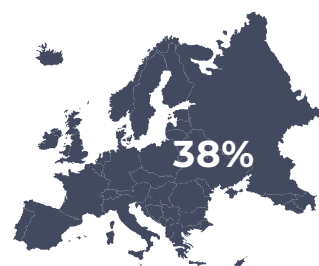
Research shows that people are more open to experimentation at bars and restaurants. 41% of U.S. consumers like to try new or different drinks brands on an evening out, increasing to 47% for 21–24 year-olds. Similarly, 38% of European consumers are open to trying new or different drinks on a night out, while 59% are more likely to trade up for a premium drink.

Alongside home consumption, brands can capitalize this 'halo effect' on-premises, too, with co-branded promotions and seasonal activations.



41% of US consumers like to try new or different drinks brands when out

47% for 21-24 year-olds



38% of European consumers are open to trying new or different drinks on a night out

59% more likely to trade up for a premium



Single malt brand, Smokehead, created a fully functional mobile bar attached to a Ducati motorbike that appeared at local festivals throughout the UK and Europe. Outfitted with whiskey, ice, glasses, and even a seat, the Smoker Sidecar was a unique experience for fans of single malts and motorcycles.



The world's biggest-selling spirit brand, Jinro Soju, created a massive activation as sponsor of London's All Points East festival. Designed to look like a giant case of Jinro, the two-story bar gave festival goers the chance to explore an oversized world featuring a neon bar, a polaroid zone, and traditional Korean games. The activation generated a 26% increase in purchases from local consumers compared to Korean residents.

3. Surprise and Delight to Encourage Social Media Shareability

A strong social media strategy is key to getting younger consumers to engage with your brand. Roughly one-third of consumers aged 18-34 say posting about a new experience is essential for it to feel complete.

Cocktails are among the most shareable food and drink items. Capitalize on this by working with on-premises partners to design 'Instagrammable' drinks and memorable moments. These could be anything from 'house cocktails' to personalized digital menus that give customers a reason to share their experiences on social media.



Hard seltzer creator, White Claw, leveraged user-generated social content to connect with fans. Starring real people in real locations, the Let's White Claw campaign invited creators from around the world to share "unscripted, in-the-moment content inspired by the feeling White Claw evokes". The campaign contributed to the brand's incredible social media success, which has seen it create four billion more impressions than its main competitors.



UGC plays a key role in handmade vodka distiller Tito's continued success. Millennials appreciate authentic brands that aren't afraid to embrace their heritage. Tito's taps into this by encouraging customers to share their experiences with the brand across marketing channels and campaigns, including Love Tito's and Vodka for Dog People.

4. Enable Virtual Experimentation

Gartner predicts that, by 2026, 25% of people will spend at least one hour a day in the metaverse - to work, shop, socialize, or consume entertainment. Marketing in the metaverse is far from mainstream, but there are opportunities for tech-savvy brands - opening virtual bars or hosting augmented reality (AR) tasting sessions that allow consumers to socialize and explore your products in a safe digital space.

Outside of the metaverse, there are other Web3 strategies you can use to amplify your marketing. Gamifying your content and promotions, hosting virtual concerts and events, and embracing non-fungible tokens (NFTs) can all help you engage with digital-native consumers. For example, using AI-powered AR tech to run virtual tours of your distilleries or teach customers about the history of your products.

De Soi

De Soi, a mocktail brand co-founded by pop star Katy Perry, is partnering with metaverse social app company FlickPlay. A Web3-optimized crossover between TikTok and Pokémon Go, FlickPlay lets users collect NFTs and other digital assets. The partnership lets De Soi customers earn NFTs and beverages while playing FlickPlay's augmented reality (AR) games for a uniquely connected experience.

ANGELS ENVY

US whiskey brand Angel's Envy unveiled its 'meta distillery' Decentraland, a gamified and educational site production tour. The meta distillery includes a Bourbon-making experience, an interactive cocktail challenge, a proof of attendance protocol token, and NFT wearable giveaways. US consumers are able to buy physical items from the Angel's Envy web shop and have a metaverse cocktail delivered to their homes via Cocktail Courier.

5. Offer Cost-Conscious Consumers a Reason to Indulge

Cost-conscious consumers find it difficult to justify non-essential, luxury purchases in the face of ongoing economic challenges. To convince them to part with their cash, you have to make it worth their while – and a quality product alone isn't always enough.

Embracing a **subscription-based model** is a great way to support cost-conscious consumers while providing a predictable recurring revenue. In the last five years, subscription box businesses selling alcohol has increased by nearly 200% in the US with Millennials and Gen Z increasingly buying booze via subscriptions for convenience, new experiences and savings. To help consumers make their money go even further, you can also experiment with product bundles combining related items into affordable packages.

Contests, promotions, sweepstakes, and rewards programs give consumers a compelling reason to buy their favorite drinks. Relevant rewards like cash back, tickets to sports games or concerts go a long way in driving consumer participation and engagement. Remember to check relevant legislation first to ensure your promotion is fully compliant.

Initiatives like this add value to consumer-brand interactions as well as provide a reliable source of first-party data. This helps you develop a deeper understanding of your customers, so you can deliver more relevant and rewarding offers.



The Craft Beer Club is a popular beer subscription box that sends out monthly boxes of new and interesting craft beers from different breweries around the country, including brews with limited distribution and fresh beers. Consumers can select a size 12 or 24 beers for the box.



Hornitos ran an exciting instant win and sweepstakes program, “Margarita Mode”, where consumers could scan a QR code, visit a Snipp-built age-gated microsite and simply register for a chance to win a daily prize of a \$5 via Venmo, access to exclusive content and an all-expenses paid trip to Cabo.

6. Promote Digital Initiatives via Interactive Packaging Innovations

Drink labels can have a huge influence on buying decisions, as consumers spend more time researching ingredients and production processes.

QR codes lead the way in seamless on-pack experiences, offering consumers a quick, easy, and unobtrusive way to learn more about their favorite products. Whether it's a video showing a behind-the-scenes glimpse of how the product they're considering is made or a link to your sustainability promise, the entire bottle can be a digitally-enabled surface for engagement to help consumers get to know your brand and build trust.



Australian-based winery 19 Crimes augmented reality (AR) labels work to tell the story of the person on the label. Their partnership with rapper Snoop Dogg gives fans the opportunity to hear Snoop Dogg rap his iconic track “Who Am I (What's My Name)?” by using the AR label.



Pernod Ricard introduced digital labels across its portfolio, geo-localised by language and location, giving consumers access to transparent information. The digital label provides product and health information, including health risks and responsible drinking guidelines issued by each country's government authorities, as well as ingredients and nutrition facts.

CONCLUSION

Navigating the alcohol industry in the years ahead presents challenges, and opportunities, for brands.

Consumers expect more from their drinking experiences, favoring brands that combine quality ingredients with sustainable practices. Consumers are also moderating their alcohol intake in response to economic challenges and a renewed focus on personal wellness. This is particularly noticeable in Europe.

On the flip side, consumers are willing to spend – but only on quality products. Brands at the extreme ends of the pricing spectrum will need to think carefully about how they appeal to these value-conscious consumers.

Finally, digital experiences continue to disrupt the way alcohol brands engage with consumers. Virtual and digital experimentation reached new levels in 2024, and this will only increase in the years ahead. Thinking about how this fits into your marketing strategy will ensure you're well prepared when these technologies hit the mainstream.

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Snipp provides promotions, sweepstakes, digital offers and loyalty programs designed to engage customers across the entire path to purchase - in-store, at home and online.

Clients can run one-off promotions to evergreen loyalty programs that meet objectives at a brand, shopper, category, and portfolio level - customizable by region, language, channel, retailer and more.

Our modular Customer Acquisition, Retention & Engagement platform, powered by our market-leading receipt processing platform, enables implementation of ROI-driven, omni-channel programs, globally. We capture data in real time and build proprietary data sets, enabling intelligent decision-making for driving engagement, personalization and loyalty.

For over a decade, we have worked with the world's leading organizations in both B2C and B2B spaces, across industry verticals including CPG, retail, pharma, utility, home and outdoor, alcohol, tobacco, lifestyle and more.

Visit us at snipp.com for more details and program examples.



Snipp offers the following solutions

Receipt Processing

Scale activations and reward consumers - an OCR powered validation of any purchase (receipt/PO/invoice etc.) or non-purchase (image, survey, social, etc.) transaction. Retailer and device agnostic. Capture invaluable data.

Promotions & Sweepstakes

Create sweepstakes, GWP, cash-back, instant win, gamification, social media and shopper promotions to drive sales and engagement. Setup, legal and fulfillment too.

Loyalty

Modular customer loyalty platform with comprehensive earn and burn mechanisms as well as deep personalization and segmentation to drive engagement and retention.

Rebates

Streamlined Digital Rebate Management. Flexible, efficient, scalable and secure. One-stop platform for multiple rebate programs for consumers and B2B channel partners.

Rewards

Incentivize and reward customers with an exhaustive catalog-across any geography, industry or consumer demographic. 250+ categories and 58+ currencies.

Data & Analytics

Capture and make sense of complex consumer behavior and purchase patterns. Turn this into actionable insights for personalization and engagement.

Digital Offers

Create, distribute, track and measure your digital barcode offers from a single Digital Offers Platform that includes the industry first Financial Media Network

Snipp's technology and marketing solutions have helped brands in **highly regulated industries of beer, wine, and spirits run successful, compliant promotions and loyalty programs.** Snipp enables implementation of industry compliant, omni-channel, programs that are ROI-driven.