



Say Cheers to the Alt Drink

Tracking the Rise of Zero-Proof Cocktails
and Alternative Craft Beverages

It Goes Without Saying:

The habits of everyday Americans dramatically shifted during the COVID-19 pandemic. As public spaces began to reopen, many of the lifestyle changes consumers adopted while sheltering at home endured: among those, alcohol consumption declined among U.S. adults. According to a 2020 Gallup poll, the percentage of [Americans who reported drinking alcoholic beverages](#) fell from 65% to 60%. The average number of drinks consumed per week also decreased. →





This movement toward drinking less did not occur in isolation. Rather, the shutdown of public gatherings coincided with rising interest in healthy living, cutting carbs, and calorie reduction. Different generations have divergent outlooks toward drinking, as well, which also affects the overall drinking rate. In fact, the Gallup data show that adults younger than 35 years old are **much less** likely to not drink alcohol than their 36-to-54 years old counterparts.

The changing cultural paradigms around drinking, catalyzed by the pandemic and driven forward by post-Millennial generations, are propelling a new wave of innovation in alternative drinks – Alt Drinks. So-called “mocktails” and “dirty colas” are currently a [social media craze](#), inspiring thousands to make their own custom creations. Whether it’s to have a special drink for social settings or to enjoy as a treat at home, changing attitudes about alcoholic beverages are fueling explosive growth in low-and-no alcohol sales and exciting new product launches.

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→ 2020 Gallup Poll

The (Sober) Curious Case of Dry January →

Originally, “Sober January” dates to 1940s Finland. However, the practice has regained attention over the past decade. Known as “Dry January” in Europe and the U.S., participants choose to abstain from alcohol for the first month of the year. [Nielsen](#) tracked the Dry January trend in 2021 and found that in the first two weeks alone, off-premises outlets sold \$92.8 million in low alcohol-by-volume (ABV) products. Additionally, retail outlets sold \$13.6 million in non-alcoholic drinks, a 19% increase in dollar sales; a major contrast to total alcohol sales, which were down more than six percent for the same period.

The Dry January trend is indicative of how pervasive and influential the Sober Curious consumer has become. With the pandemic prompting many consumers to curb their drinking, the “sober curious” Alt Drink movement became a viral trend, inspiring mixologists behind the bar and in the home kitchen to get creative.



For some, Sober Curious is an invitation to enjoy something special, made just-for-them to their specifications. It can be an indulgent dirty cola with coconut syrup, heavy cream, and real Madagascar vanilla. Or it can be a zero-calorie liquor alternative that delivers the flavors of gin or tequila without the alcoholic content.

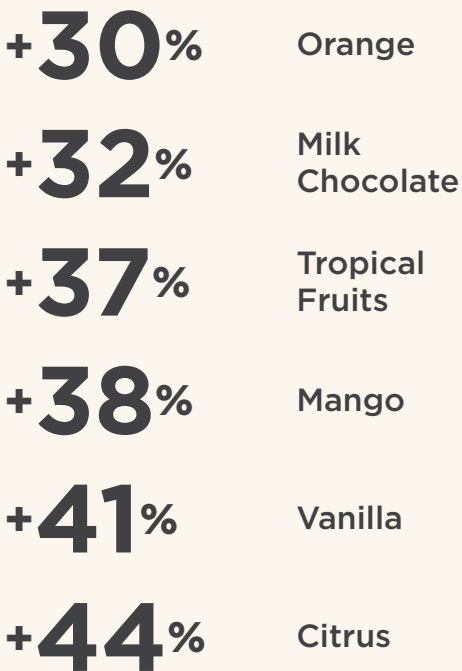
Many of today’s trending flavor profiles in alcoholic drinks crossover into Alt Drinks. Innova Market Insights reports that while new product launches in alcoholic drinks has grown significantly in the five years between 2016-2020, the low-to-no-alcoholic drinks nearly doubled. **Fruit flavors** dominated new product launches in the **alcoholic, low-in-alcohol**, and **NA beverage category** between 2016-2020. While **citrus**, **vanilla**, and **mango** profiles were top contenders, other rising flavors noted by Innova include tart-and-sweet fruit flavors like pomegranate, peach, blueberry, and grapefruit, as well as distinctly aromatic profiles like chocolate, mint, coconut, cinnamon, chai, and coffee.

GLOBAL GROWTH,
NUMBER OF NEW
BEVERAGES*



*2016-2020 CAGR, global
**2020-2021 YoY growth
Source: Innova Database, 2021

FASTEST GROWING
FLAVORS IN ALCOHOLIC
BEVERAGES



Source: Innova Database, 2021

TRENDING
BOTANICALS IN NON-
ALCOHOLIC DRINKS

- Basil
- Chamomile
- Cinnamon
- Elderflower
- Ginger
- Ginseng
- Grape Seed
- Green Tea
- Guarana
- Guayusa
- Hibiscus
- Hops
- Juniper
- Lavender
- Mint
- Pea Flower
- Rose
- Rosehips
- Turmeric
- Yerba Mate

Source: Innova Market Insights

Alt Drinks are for individuals who want something more than just a virgin version of an alcoholic drink, that is, a traditional mixed drink with the alcohol excluded. Rather, Alt Drinks are formulated, prepared, and poured to stand on their own with uniquely blended flavors and hand-crafted appeal. And since Alt Drinks are appropriate for teens and other under-21 consumers, they offer a kind of broad appeal that alcoholic drinks do not.

More and more businesses that serve alcohol on-premises are including Alt Drink options. Hospitality industry anecdotes from bars at international [hotel](#), [resort](#), and [cruise ship](#) brands point to a dramatic shift among tourists and vacationers toward drinks with less or no alcohol. These consumers are buying drinks with the same amount of care and attention as a cocktail, but with non-alcoholic ingredients.

Similarly, other consumers are reaching for low alcohol-by-volume (ABV) beverages to keep things light and casual. Low-ABV drinks let one enjoy sipping a lightly alcoholic drink in a social setting without worrying about a hangover or the calorie load. The category is ripe with opportunity for CPG brands. Hard kombuchas, exotic fruit-based mocktails, palomas, spritzers, margaritas...the possibilities are limitless.

**In January
2021, retail
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dollars sales.**

→ Nielsen

Timeless Alt Drinks

Immediate opportunities exist in the CPG space for classic drinks for parties and social events. Zero-proof RTD cocktails and cocktail mixers are a fun and easy way to enjoy a special drink in a casual, inclusive group setting. For example, an authentic margarita experience with lime, sea salt, and zero-proof tequila, or a traditional cosmopolitan with cranberry, orange, and zero-proof vodka can be achieved in both ready-to-drink and mixer formats. RTD and mixer formats also empower bars and restaurants to instantly expand their menu with intriguing, zero-proof offerings.

	DRINK	FLAVORS	ZERO-PROOF FLAVORS	OPPORTUNITIES
	Margarita	Lemon, Lime, Sea Salt	Zero-Proof Tequila Flavor, Orange Liqueur Flavor	RTD Canned Drinks; Bottled Mixers for Use at Home and Bars
	Cosmopolitan	Cranberry, Citrus	Zero-Proof Vodka Flavor, Orange Liqueur Flavor	Premium Bottled Cocktail
	Mojito	Lemon, Lime, Sugar	Zero-Proof White Rum Flavor	Six-Pack RTD Drinks for Parties
	Old Fashioned	Smoky Aroma, Bitters, Orange Peel	Zero-Proof Whiskey Flavor	Premium, Zero-Proof Mixer

Craft Cocktails & Party Drinks

Alt Drinks present a broad canvas for formulators with opportunities to add layers of sophistication and functional appeal to zero-proof mixed drinks. When formulating zero-proof craft drinks, botanical and herbal notes can give a functional twist to Alt Drinks. Flavors like elderflower, ginger, and chamomile appeal to the wellness-oriented consumer by signaling feelings of health and well-being. These can be incorporated via infused simple syrups, flavored syrups, and zero-proof liqueurs.

	DRINK	FLAVORS	ZERO-PROOF FLAVORS	OPPORTUNITIES
	Elderflower Lemon Gin & Tonic	Elderflower, Lemon, Tonic	Zero-Proof Gin Flavor	RTD Canned or Bottled Drink
	Apricot Bellini	Apricot, Peach	Zero-Proof Prosecco Flavor	RTD Drink or Mixer
	Grapefruit Hibiscus Paloma	Grapefruit, Soda, Lime, Hibiscus	Zero-Proof Tequila Flavor	Pourable, Bottled Premixed Cocktail for Group Sharing
	Ginger Lime Moscow Mule	Ginger Beer, Lime	Zero-Proof Vodka Flavor	RTD Canned or Bottled Drink
	Blueberry Watermelon Mint Mojito	Mint, Watermelon, Blueberry	Zero-Proof Rum Flavor	RTD Drink or Mixer
	Sangria	Cold-Pressed Juices, Pomegranate, Cinnamon, Tea	Zero-Proof Wine Flavor	Boxed or Bottled for Group Settings

Achieving Preferred Taste in Alt Drinks

The culture around drinking is changing and shows no signs of slowing down. To adapt, beverage brands and bartenders must be prepared to offer more nonalcoholic options to meet the needs of this growing market. As the zero-proof Alt Drinks movement continues to gain momentum, Virginia Dare is helping brands grow into this rapidly expanding market.

Virginia Dare is a global leader in achieving preferred taste in all categories of the food and beverage industries. Whether it's our deep expertise in formulation and production, our unyielding focus on quality and sensory experience, our unique, expansive flavor portfolio, or our commitment to transparency in sourcing, Virginia Dare delivers foundational flavors and taste improvement solutions to producers at any scale.



Learn how Virginia Dare formulates zero-proof innovation. →

Reach out to flavorinfo@virginiadare.com to find out more, and kick start your Alt Drink journey.