

# Nutritional OUTLOOK

6 Trends in healthier alcohol and alcohol alternatives



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[Food & Beverage \(/food-beverage\)](#), [Trends & Business \(/trends-business\)](#)

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Every culture that has developed social drinking rituals has also developed its own drinking toasts. Americans toast to good spirits with a hearty “Cheers.” In Turkey, it’s commonplace to toast “to honor” by proclaiming “Şerefe.” But the emerging changes and new trends in the alcoholic beverage market are best characterized by the ancient Celts’ “Sláinte,” meaning “to health.”

Last year, Nielsen reported that alcohol consumption in the United States has remained flat since 2018, and two thirds of American Millennials are cutting back on alcohol.<sup>1</sup> Keera Perumbala, marketing manager for Sensient Flavors (Hoffman Estates, IL), says that consumers are cutting back on alcohol for a variety of reasons ranging from saving money to improving health. But where alcohol is falling, opportunities for alcohol alternatives are growing.

“There’s been a surge of craft mocktails and distilled non-spirit beverages,” Perumbala says. “These premium mocktails bring together a number of trends we see in the market, from the use of botanicals and extracts to natural ingredients. The typical consumer’s palate has evolved to accommodate more foreign flavors.”

As demand for alcohol-free beverages and healthy alcohol alternatives continues to grow, the better-for-you alcohol market will present a variety of opportunities. Here are the six major trends to watch in alcohol and alcohol alternatives.

## **Flavor Trends Combine Tradition and Disruption**

Modern alcohol consumers are flavor-conscious and experience-driven. Ty Gilmore, president of Flying Embers Hard Kombucha (Ventura, CA), says that today's consumers are seeking creative new flavors that balance tried-and-true with innovative and unique.

"For us in the kombucha space, flavors like ginger and strawberry are popular," Gilmore says. "Another popular flavor combination is mixing mango with something spicy. You're always going to have your staple flavors, but when you can find that balance between traditional and disruptive, that's when you can create flavors that consumers want."

For Flying Embers, flavor is an opportunity to experiment. In the fall of 2019, Flying Embers launched its pineapple chili and black cherry flavors. Consumers, he says, have responded well to the pineapple chili's combination of sweet and heat.

### **But Is Flavor Diversification a Double-Edged Sword?**

Jeff Moses, owner of MBF Company (Monterey, CA), says that growing awareness around food, drink, and wellness is opening up consumers' imaginations and allowing brands to get more creative with their alcohol and alcohol alternative products. For instance, MBF Company launched the world's first jackfruit spirit, Slapjack, at the start of 2020. Moses says that some new flavors in particular are a double-edged sword.

"Our team is clearly stoked about jackfruit," Moses explains, "but we're also seeing more dilution and overthinking about obscure flavors. Peanut butter whisky and curry vodka isn't necessary for our palates. However, we do love that these flavors are giving the industry something to talk about and allow creative distillers a chance to show off their wares!"

### **Functional Alcohol, Performance Beer Emerge**

Amy Targan, president of Malt Products Corporation (New York, NY), says that one overlooked market for alcohol and alcohol-alternative products may be ripe for a boom. Targan thinks that sports nutrition could be malt's next big opportunity.

"Even though it's recommended that athletes abstain from alcohol due to its negative effects on athletic performance, beer remains a favorite post-exercise drink," Targan notes. "Malt extract possesses a diverse mixture of plant-derived polyphenols that have been shown to be effective in sports nutrition."

Targan points to the results of a 2012 study as evidence that non-alcoholic beer could be considered a performance drink. The study, a randomized, double-blind, placebo-controlled trial, followed 277 healthy male runners between the ages of 33 and 51 who were participating in the 2009 Munich Marathon. The subjects were randomly assigned to receive 1 to 1.5 liters of Erdinger Weißbräu (Erding, Germany) brand non-alcoholic beer per day (n=142) or a placebo (n=135) for three weeks before and two weeks after the Munich Marathon.

The Erdinger Weißbräu-funded study found that consumption of non-alcoholic beer resulted in a statistically significant reduction in interleukin-6 levels following exercise relative to a placebo. The experimental group also suffered significantly fewer incidences of post-race upper respiratory tract infections relative to the control group.<sup>2</sup> The researchers attributed these results to higher polyphenol ingestion.

### **Better-For-You Alcohol Goes RTD**

Flying Embers' Gilmore says that better-for-you alcohol is even permeating the coveted ready-to-drink space, with hard seltzers making a major appearance in RTD formats. While the biggest opportunity in RTD will be for kombucha, he says, craft brands are still releasing plenty of other RTD products.

Says Gilmore: "They're showing up all over. Brands with low carbs or low calories, those better-for-you brands, are going RTD. Craft brands are coming out with RTD products that have other functional benefits."

RTD spirit-based cocktails are proving particularly popular, as are RTD malt-based cocktails. Nielsen reported last year that sales of RTD spirits grew by 40% in the 52 weeks ending April 20, 2019, while sales of RTD malt cocktails grew by over 500% in the same period.<sup>3</sup> As better-for-you alcohol grows, expect the RTD market to present unique opportunities.

### **Hooch, or Booch? Non-Alcoholic Kombucha Soars**

The growth of better-for-you alcohol has also prompted consumers to adopt non-alcoholic kombucha in droves. Gilmore says that over the last 10 years, consumers have been moving toward “better-for-you” products in general, and now, that trend is pushing into the alcohol market.

“Consumers want to know what they’re putting in their bodies,” he notes. “They’re looking for things like drinks with adaptogens or live bioactives. Non-alcoholic kombucha is exploding right now.”

Gilmore explains that as consumers continue to think critically about what they’re putting in their bodies, drink manufacturers ought to evolve their products. Flying Embers, he says, uses adaptogens like ginger, turmeric, and ashwagandha for this purpose—to appeal to health-conscious consumers.

“One thing we’re really proud of is that we have live probiotics in our hard kombucha,” he says. “We have a proprietary process that allows us to do that.”

### **Sober-Curious Consumers Opt for “Near Beer”**

Recent data from Morning Consult shows that nearly 40% of the drinking-age population doesn’t drink alcohol. Meanwhile, those who do drink alcohol are cutting back, and half of consumers of all ages have purchased a non-alcoholic beverage.<sup>4</sup>

In response to this trend, brands like Comax Flavors (Melville, NY) are creating flavor collections specifically designed for use in near beer and non-alcoholic drinks. The No Proof Needed collection by Comax, which includes flavors like matcha pineapple and mango, is one example of how flavoring companies are introducing new offerings to capitalize on this trend.

“Individuals are cutting back on drinking for a variety of reasons, and many are looking for low- or no-alcohol beverages with fewer calories, less sugar, and better-for-you profiles,” Comax Vice President of Corporate Communications Catherine Armstrong said in a press release. “Comax Flavors created the No Proof Needed range to meet this growing demand.”

Armstrong says that in addition to the rise of the sober-curious movement, other lifestyle considerations are driving growth in non-alcoholic drinks. For instance, she notes, some consumers may want a non-alcoholic beer so they can enjoy a drink at lunch before returning to work.

### **Plant-Based and Low-Sugar Claims Grow**

Armstrong notes that a variety of consumer preferences are creating new opportunities for brands. Low-sugar and plant-based, she says, are two central messages that consumers look for in beverages.

“More and more consumers are seeking out plant-based options,” she says, “and consumers are also looking for less sugar. That’s why Comax developed Sweetness Enhancers that give the perception of a sweeter beverage without increasing the sugar content.”

Consumers, she says, also want more niche and creative options. Armstrong notes that nostalgic drinks like the Old Fashioned and the Manhattan are making a comeback, which is why future flavor development will likely focus on diversifying into more creative, more fun flavors.

## Consumer Demand Set to Drive Growth

Niche producers and large brands alike investing in low- and no-alcohol versions of popular alcohol products along with functional alcohol drinks. Health-oriented brands like CrossFit (Santa Cruz, CA) are already jumping on board the better-for-you alcohol trend with products like FitVine low-sugar wine. As alcohol consumption continues to drop and consumers seek out healthier indulgences, expect opportunities for better-for-you alcohol products and alcohol alternatives to grow.

### References:

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