Beverage | Q4 2026

Industry Update

How Consumers Are Drinking: Occasions, Frequency & Competition

For decades, beverage companies competed inside categories. Beer against beer, spirits against spirits. That is no longer how consumers decide. Today's consumer starts with a moment. They ask whether they want refreshment, energy, relaxation, convenience, moderation or social connection, and they choose a product second. **The occasion has become the true unit of competition**, and alcohol, non-alcoholic alternatives, energy drinks, coffee and functional beverages now compete for many of the same moments.

54%

U.S. adult drinking participation

A record low in a Gallup trend that begins in 1939, now held for two straight years.

3.2

Average drinks per week

Among U.S. drinkers in July 2026, against 3.9 across the prior five readings.

(3%)

Real price realization, global

Calculated: +1% price per liter less 4% consumer inflation, 2025.

THE FOUR SHIFTS

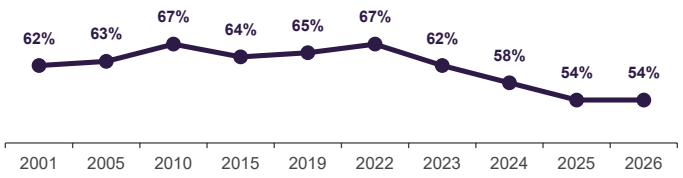
- **Participation held, frequency did not.** Gallup puts 57% of legal-drinking-age adults and 54% of all adults 18 and over as drinkers, while weekly drinks fell to 3.2.
- **One moment, several categories bidding.** Year over year in one U.S. tournament-viewing week, case sales: pre-mixed cocktails +25.4%, non-alcoholic beer +10.9%, super-premium domestic beer +2.2%. Energy drink unit sales +10.0%.
- **The occasion went solo.** Half of U.S. main meals at home are eaten alone, and 59% of foodservice breakfast traffic is party-of-one.
- **Value growth has been price, not trading up.** Premium-plus beer added 3% in value on 1% more volume and wine held value flat while volume fell 2%.

Participation Is Holding While Frequency Softens

Participation only tells half the story. The count of people who drink has stopped falling. The number of servings behind each of those people has not.

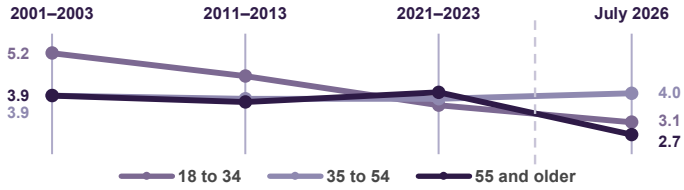
U.S. Adult Alcohol Participation

% of U.S. adults 18+ who say they have occasion to drink. Year axis is not to scale; labels show the Gallup survey waves published between 2001 and 2026



Average Weekly Drinks by Age Band

Average drinks in past seven days among U.S. drinkers. First three columns are Gallup pooled three-year periods; July 2026 is a single wave



Participation is close to its ceiling, which leaves frequency as the lever that still moves volume. The decline is concentrated, not general. Under-35s gave up 1.6 drinks a week between the pooled 2001–2003 and 2021–2023 readings and fell further to 3.1 in the July 2026 wave. The 35 to 54 band has barely moved in twenty years. The 55-plus band is the new development: steady through 2021-2023 at 4.0, then the lowest of the three at 2.7 in July 2026. Middle-aged drinkers are now the volume core, which is a frequency and intensity problem inside an intact consumer base rather than a recruitment one, and it is addressable through pack architecture and price per serve.

For manufacturers, distributors, retailers and operators, growth is likely to depend less on category ownership than on occasion coverage. Three shifts define where that growth now sits: **occasions are changing shape, categories are converging inside them, and pricing power is becoming harder to hold.**

Sources: *Gallup Consumption Habits, topline crosstabs and three-year pooled age analysis (U.S.); Circana Eating Patterns in America and U.S. retail scanner data (U.S.); IWSR premiumization report (global).*

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The Occasion Is Smaller, Earlier and More Often Alone

As participation stabilizes, the more important question is how drinking occasions are evolving. Consumers are increasingly making beverage decisions alone, earlier in the day, and in moments that favor convenience over tradition. Those shifts reshape which products win and how they need to be packaged, merchandised and sold.

Solo Occasions Across the Day

Share of U.S. Occasions Taken Alone, by Daypart and Setting

% of occasions eaten alone (at home) or party-of-one (commercial foodservice), latest U.S. reading. Darker cells mark the occasions where a single-serve beverage faces least competition from a shared format.

	Breakfast	Main Meal	Snacking
At Home	59%	50%	65%
Commercial Foodservice	59%	23%	50%

Solo eating has gone from a weekday convenience to the majority case across most of the day. Half of main meals at home are taken alone, up two points in a year and four on 2021, and snacking at home is nearly two-thirds solo. Away from home the pattern is sharper at breakfast, where parties of one are 59% of traffic. Full-service dinner is the exception, which is why the main-meal cell reads so much lower.

The occasion is not lost. The serve is. Solo breakfast still takes coffee; solo dinner is simply less likely to take a shared bottle of wine. A table of four buys one bottle, while four people eating alone buy four singles, and only if a single is there, cold and at the right price. For retailers that moves volume out of shelf-stable multi-serve and into the chilled single-serve set.

For the rest of the chain, it is a mix problem. A portfolio weighted to large format is exposed to an occasion that is structurally shrinking, and for distributors cold-box space becomes the scarce asset rather than shelf feet. Foodservice operators face the mirror image: the solo visit is shorter and lower-ticket, so beverage attachment must be built into the order flow rather than suggested at the table.

Who Is Still Going Out, and When

Weekly On-Premise Visitation by Generation

% eating or drinking out at least weekly, global



Gen Z is still going out, and going earlier

Globally, 37% of Gen Z plan to increase on-premise visits over the next twelve months against 19% planning fewer, even though 81% report noticing higher living costs. Cost pressure is sharpening which occasions get chosen rather than removing them.

The timing is moving with it. 31% globally now go out to eat earlier than a year ago, nine points above the all-age average, while only 10% are staying out later.

Higher costs are redirecting Gen Z spending rather than shrinking it. U.S. Gen Z restaurant spending rose about 7% year over year in July 2026, the fastest of any generation and close to double Millennials. Against food-away-from-home inflation of 3.4%, that is still real growth, funded by after-tax wage growth near 10%. An earlier occasion is also a different competitive set: the five-o-clock drink competes with iced coffee and functional soda, because nobody at that hour has committed to drinking yet.

The occasion count is rising while the value of each one falls

Gen Z is adding small occasions and trading up inside them. Spending at small and mid-sized coffee chains grew more than 25% year over year and spend per transaction on low-ticket treats grew more than twice the all-generation rate. A coffee run is a real occasion worth a fraction of a bar tab, so more occasions and less alcohol value are the same behavior.

Holding age constant separates preference from life stage. Among U.S. households headed by someone under 25, the dining-out budget grew 15% in real terms over three decades while alcohol lost a third of its value, falling from 1.50% to 0.81% of total spending. Companies built around group consumption are adapting to a market where the individual occasion matters as much as the shared one.

Sources: *Circana Eating Patterns in America (U.S.); BLS Consumer Expenditure Survey and CPI-U (U.S., real comparison calculated by Truist); Bank of America Institute (U.S.); NIQ REACH and Gen Z and BevAI (global).*

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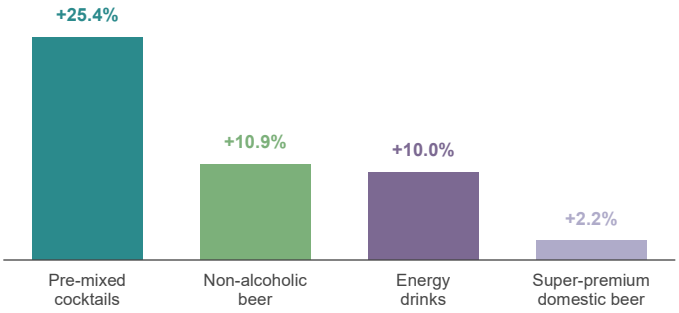
Category Competition Is Increasingly Occasion-Based

Changing occasion structure explains a second trend: consumers are less loyal to categories and more focused on outcomes. When they gather to watch a match, meet friends in the afternoon or pick up a drink with a meal, they are often not choosing between brands. They are choosing between entirely different beverage categories.

Category Performance Inside a Single Occasion

U.S. Category Growth, Global Soccer Tournament Week

% change in unit or case sales versus the prior year, U.S. retail, week ending 28 June 2026



Demand held, but it moved between categories

The viewing occasion stayed healthy. What changed was where the demand flowed. Two-thirds of U.S. fans planned to watch at home, so this was a hosting occasion, and the winners were the products that cut effort: a cocktail that needs no bar, and a beer that lets a driver or a moderator stay in the round.

Super-premium beer still benefited from the event, but at a tenth of the rate of the pre-mixed cocktail. The pattern suggests consumers are responding to solutions more than to category labels.

The on-premise moved with it. U.S. on-premise beer sales rose 2.8% nationally across the tournament and 11.1% in host markets, where bar and tavern sales rose 13.3%.

Share data tells you who won the aisle. This exhibit shows who won the evening, and it suggests that occasion-led innovation outperforms line extension, because the winning formats were not better versions of an existing drink but easier answers to a specific moment. For distributors and retailers, it argues for merchandising built around the event rather than the planogram.

What Each Occasion Rewards

Tournament viewing at home

Wants an easy build for a long viewing window; two-thirds planned to watch at home

Gets pre-mixed cocktails +25.4%, non-alcoholic beer +10.9%, energy drinks +10%, against +2.2% for super-premium beer

Solo breakfast and lunch

Wants speed above all; two-thirds of in-home breakfasts take under five minutes

Gets parties of one are 59% of foodservice breakfast traffic and half of snacking traffic

Mid-afternoon beverage-only visit

Wants a flavor-forward option that does not commit the visit to alcohol

Gets Gen Z and Millennials drive beverage-only restaurant occasions, concentrated mid-afternoon

Takeout and delivery

Wants a drink that arrives in the condition it left in

Gets 83% of delivery customers would order beverages more often if packaging were better

Functional demand sits underneath all four of these. Nearly half of U.S. adults say they are seeking more protein, up seven points in a year, and Gallup now puts current GLP-1 use for weight loss at 11% of U.S. adults, up from 3% in 2024. That demand is real, but it arrives as a claim requirement rather than a category preference, which is why it surfaces across energy, hydration, coffee and dairy at once.

Implications for Planning

Start from the occasion and work back to the product. The winners were not the biggest brands but the ones that removed a step for the host. That is a packaging and format conclusion, available to a company of any size.

Screen functional claims on servings as well as dollars. A claim that lifts price while volume slips is borrowing from next year. Where servings are growing, price follows. Where they are not, the claim is a margin trade with a short half-life, and investors should treat it as one.

Lean back into brand building. The fastest-growing products here are newer brands without an established distribution network. That puts the brand-building role back with distributors, where it historically sat.

The pricing question that follows. If each consumer has fewer occasions and judges each on its merits, can the industry still price against them? That is where four years of value growth looks less reassuring than the headline suggests.

Sources: *Circana U.S. retail scanner data and consumer research; Beer Institute World Cup on-premise data; Circana Eating Patterns in America; Gallup National Health and Well-Being Index; National Restaurant Association 2026 Beverage Trends. All U.S.*

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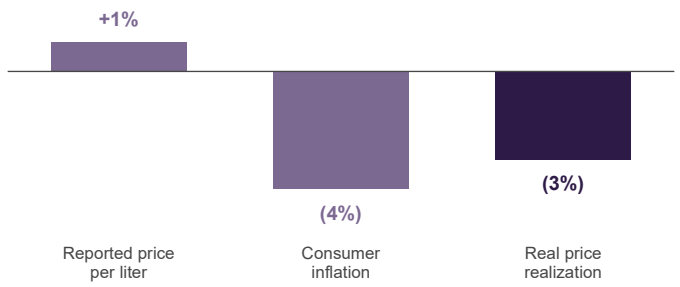
Pricing Power Is Harder to Hold as Occasions Narrow

As consumers get more selective about when and how they drink, companies face a second challenge: holding pricing power. Recent value growth across beverage alcohol has often reflected price increases rather than stronger demand, and moderation has stopped being a single trend.

What Reported Dollar Growth Contains

Global Price Realization Against Inflation

% change year over year, global beverage alcohol, 2025



The same shortfall appears in every year

The challenge is not that prices are falling. It is that they are not rising fast enough to keep pace with inflation. As a result, the category has lost pricing power in real terms for four consecutive years.

Price per liter against inflation ran minus 1% versus 8% in 2022, 3% versus 6% in 2023, 2% versus 5% in 2024, and 1% versus 4% in 2025. Four consecutive years of negative real realization is a pattern, not a cycle.

The picture is also splitting. Higher-income consumers retain both the ability and willingness to buy at the top of the range, while lower-income drinkers are responding to affordability pressures by trading down in quality or quantity rather than leaving the category outright.

Premium claims are worth testing against inflation before being read as trading up. A mix moving toward higher price points while realization trails CPI is recovering cost, not capturing willingness to pay. For investors that is the difference between a margin story that compounds and one that reverses the moment input costs ease.

Four Behaviors, Four Outcomes

Each group is a distinct behavior on its own base and period, not a share of one population

REMOVES SERVINGS ← → ADDS SERVINGS

Non-drinkers
45% of U.S. adults describe themselves as total abstainers

Moderating drinkers
Weekly servings among U.S. adults aged 21 to 29 fell from 6.5 to 4.5

Non-alcoholic users
17% of U.S. adults, split 20% of drinkers and 14% of non-drinkers

Combiners
Non-alcoholic beer case sales rose 10.9% in the same U.S. tournament week that premixed cocktails rose 25.4%

Each behavior creates a different commercial outcome, so the distinction matters commercially. A non-drinker is lost volume. A moderating drinker is a frequency problem. A combiner adds servings inside an occasion you already own, the only one of the four that does.

Where Premium Growth Is Still Holding

% Change Versus Prior Year, Global Premium-and-Above Price Tier, 2025

Global Category, Premium Plus Tier	Volume	Value
Ready-to-Drink	**+15%**	**+21%**
Beer	+1%	+3%
Wine	(2%)	Flat
Spirits	(6%)	(7%)

Format is supporting the price premium

Ready-to-drink carries the highest average price per serve of any major global category and is the only one still growing at total-category level. Beer is the one other premium tier holding positive on both measures. The gap between a typical spirits serve and a ready-to-drink serve is about 74 cents.

Consumers are paying a premium for a smaller decision. A single serve near five dollars clears a hurdle that a twenty-to-thirty-dollar bottle does not.

Where this leaves the category

The evidence points to reallocation rather than contraction. Participation is broadly stable, more occasions are solo, more visits happen earlier, and more decisions are driven by the outcome a consumer wants in that moment. That favors companies able to read the occasion and remove friction from it through format, packaging and merchandising, more than it favors portfolio scale.

Sources: *IWSR premiumization report with Oxford Economics inflation (global); Gallup Consumption Habits and BW166 analysis of NSDUH (U.S.); Circana U.S. retail scanner data (U.S.). Real price realization is a Truist calculation.*

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