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Younger drinkers propel global demand for no- and low-alcohol wine

An IWSR report found the category is expanding fastest in newer markets as buyers seek moderation without giving up wine occasions.

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Consumer demand for no- and low-alcohol wine is rising across the world’s largest wine markets, led by younger drinkers who are moderating their alcohol intake but still want wine for everyday and social occasions, according to an IWSR report released Thursday.

The research, based on IWSR’s Opportunities in No- and Low-Alcohol Wine 2025 report, found that the category expanded across the eight major markets it tracks: the United States, Canada, the United Kingdom, France, Germany, Spain, Japan and Australia. Low-alcohol wine remains larger by volume, but no-alcohol wine is gaining momentum faster as health concerns, wellness habits and changing social norms reshape drinking behavior.

IWSR said all eight markets posted volume growth for no-alcohol wine between 2019 and 2024. Growth was more modest in mature European markets such as France, where compound annual growth reached 4%, Germany at 9% and Spain at 6%. The strongest gains came in newer or faster-developing markets, including Canada at 27%, Japan at 26%, the United States at 23%, Australia at 18% and the United Kingdom at 15%.

Susie Goldspink, head of no- and low-alcohol insights at IWSR, said moderation is now a durable force in beverage alcohol and is shaping how consumers buy wine as well as beer and spirits. She said many drinkers are not giving up alcohol entirely. Instead, they are mixing full-strength, low-alcohol and no-alcohol products depending on the setting.

That pattern is especially visible among younger adults. Across the eight markets, 60% of no- and low-alcohol wine buyers are members of Gen Z or the Millennial generation, according to the report. In the United States, that share rises to 73%, while in the United Kingdom it reaches 67%. Millennials represent the largest share of buyers in most of the tracked countries, though Japan and Spain remain exceptions where older consumers still account for more of the market.

The report also found that Gen Z has increased its share of no- and low-alcohol wine buyers since 2022 in every tracked country except France, Japan and Spain. At the same time, Baby Boomers have lost share in the category. IWSR said this generational shift reflects stronger interest among younger consumers in moderation, wellness and

lifestyle-driven drinking choices, particularly in the United States, Britain, Germany, Canada and Australia.

The findings suggest that growth in no- and low-alcohol wine is now being driven less by first-time buyers and more by people already in the category who are drinking these products more often. That marks a change from earlier years, when recruitment of new consumers played a larger role. As the segment matures, frequency of consumption has become a more important engine of expansion than attracting new entrants.

Even so, IWSR said several obstacles could slow future growth. In five of the eight markets studied, the main barrier remains a preference for full-strength alcoholic beverages. Other challenges include competition from other drink categories and persistent doubts about taste. No- and low-alcohol wine also remains much smaller than no- and low-alcohol beer, which continues to dominate shelf space and consumer awareness in many countries.

Taste and quality are central issues for producers trying to expand the category. IWSR said consumers increasingly expect no- and low-alcohol wines to offer an authentic wine experience rather than serving only as a substitute when they want to avoid alcohol. Buyers are looking for products that work with food, fit social occasions and deliver flavor close to conventional wine. That has pushed producers to invest more heavily in product development as they try to improve quality and change perceptions.

Much of that innovation is happening in sparkling wine, where most new launches are concentrated. Sparkling styles appear to offer producers a clearer path to meeting consumer expectations around freshness, occasion and balance while masking some of the technical difficulties involved in removing or reducing alcohol.

Price remains another sensitive issue. Outside the United States, consumers generally still expect no- and low-alcohol wines to cost less than full-strength wines. In the American market, however, IWSR found that consumers increasingly expect these products to carry a premium price. That difference points to a distinct positioning challenge for producers operating internationally: they must persuade shoppers that improved quality justifies higher prices while also responding to local expectations about value.

The report said affordability still matters across all markets, but willingness to pay more appears to be growing as confidence in the category improves. That trend could help support further investment from wineries and beverage companies that see long-term potential in alcohol moderation.

For producers and retailers, the opportunity comes with clear limits. No- and low-alcohol wine competes not only with traditional wine but also with beer, spirits and ready-to-drink beverages that have moved quickly into moderation-focused occasions. The category’s smaller scale means it often lacks visibility compared with better-established alternatives.

Still, IWSR said prospects remain positive if companies continue improving quality, clarifying how these wines should be positioned and making them easier to find in stores and on restaurant lists. The report presents a market that is growing steadily but not without friction: younger consumers are embracing moderation more openly than previous generations, yet they are also demanding better taste, stronger quality cues and pricing they consider fair.

For wineries facing slower growth in traditional segments in some mature markets, no- and low-alcohol products are becoming a more serious part of portfolio strategy rather than a niche experiment. Thursday’s report suggests that future gains will depend less on novelty than on whether producers can convince consumers that reduced-alcohol wine can stand on its own as a credible choice at the table and at social gatherings.