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No- and Low-Alcohol Wine Market Set to Hit $35.7 Billion Globally by 2026

Wineries pivot to premiumization, AI, and sustainable packaging as younger consumers reshape industry priorities and wine tourism surges

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Wineries around the world are facing a period of major change as they look ahead to 2026. The industry is grappling with falling wine consumption, ongoing supply and demand imbalances, and a shift in what consumers value. Traditional business models are no longer enough to ensure growth or even survival. Wineries are being forced to rethink their commercial strategies, focusing on building product portfolios and pricing structures that reflect new market realities.

One of the most significant opportunities for growth is in the No-and-Low Alcohol (NoLo) beverage category. Once considered a niche, NoLo products are now essential for wineries aiming to stay relevant, especially among Millennials and Gen Z. Market research shows that the global non-alcoholic wine and beer market is expected to reach $35.7 billion by 2026, growing at an annual rate of 7.5%. In the U.S., NoLo wine is projected to grow at 6% annually, reaching over $1.5 billion by 2030. The fastest-growing sub-segment is low-alcohol still wine, while no-alcohol sparkling wine leads in volume.

This trend is not just a response to declining alcohol consumption but an opportunity to expand into new occasions where traditional wine was absent—such as business lunches or wellness events. Advances in dealcoholization technology, like Spinning Cone Columns and advanced Reverse Osmosis, have improved product quality significantly. Wines made with these methods have won awards at international competitions, proving that premium quality is achievable.

For wineries, entering the NoLo space requires more than just adding a new label. It demands investment in technology and marketing that highlights flavor, wellness benefits, and the product’s role as a sophisticated alternative for adults. The focus should be on creating a premium product line rather than a simple extension of existing brands.

At the same time, wineries must realign their core alcoholic portfolios for profitability. The global surplus of red wines continues to depress prices and margins, especially in regions like Australia, California, and Argentina. Meanwhile, poor harvests have led to shortages of white wines—a situation likely to persist due to the time required for vineyard adjustments. Wineries with white grape production or access to new sources

are well positioned to meet this demand and strengthen relationships with distributors.

Premiumization remains critical as consumers increasingly prefer “drinking less but better.” Growth is concentrated in premium price tiers, driven by younger consumers who value authenticity and unique stories behind wines—especially those made from heritage or indigenous grape varieties. Limited-production bottlings and exclusive offerings can create scarcity and justify higher prices.

Pricing strategies must also adapt to a bifurcated market. The lower end—wines under $15—is shrinking due to oversupply and rising costs. Many analysts now see $15–$20 as the new entry-level for quality wine, offering enough margin for better sourcing and sustainable practices. Wineries should consider abandoning the sub-$10 segment unless they can compete at scale, instead using the $15–$20 range as a profitable entry point for new customers who may later trade up.

Dynamic pricing powered by data analytics is becoming essential for premium offerings. By analyzing customer behavior and market trends—often with AI—wineries can adjust prices in real time to maximize revenue and optimize inventory.

Marketing must shift toward engaging Gen Z and Millennials, who are digitally native and value-driven. These consumers care deeply about sustainability, transparency, and ethical production—attributes that are now baseline expectations rather than differentiators. Marketing messages should focus on brand values and authentic storytelling rather than technical details alone.

Digital fluency is crucial as social media becomes the main discovery channel for younger drinkers. Short-form video content on platforms like TikTok and Instagram Reels is effective for showcasing winery life or positioning wines within aspirational experiences. Social commerce features allow consumers to buy directly through these platforms, reducing friction between discovery and purchase.

Education should be accessible and free from jargon or elitism. Bite-sized content such as quizzes or short videos helps demystify wine for newcomers. Building community through micro-influencers and user-generated content fosters loyalty and turns customers into advocates.

Wine tourism is another area ripe for transformation. The sector is expected to grow from $96 billion in 2024 to over $332 billion by 2034. Wineries are moving beyond traditional tastings to offer immersive experiences—wellness retreats, adventure activities, culinary events, or cultural programs—that appeal to diverse visitor segments and command premium prices.

Membership models are evolving too. Younger consumers prefer flexible programs that offer exclusive access rather than automatic shipments of wine. Tiered memberships can provide digital content at lower levels and experiential rewards at higher tiers.

On-site experiences should be integrated with digital follow-up: collecting visitor data during visits allows wineries to personalize post-visit communications and offers, increasing the likelihood of repeat direct-to-consumer sales.

Artificial Intelligence is becoming a key differentiator in winery operations. AI-powered recommendation engines act as virtual sommeliers online, matching wines with individual consumer preferences based on purchase history or browsing behavior. Case studies show significant increases in conversion rates and average order values when AI tools are used.

AI also enables predictive analytics for commercial planning—forecasting demand based on sales data, economic indicators, weather patterns, or social media sentiment—and helps wineries anticipate trends before they become mainstream.

Generative AI streamlines marketing by automating content creation across email campaigns, social media posts, websites, and product descriptions while maintaining brand voice. This frees up human staff for strategic tasks while increasing efficiency.

Geopolitical risks remain high on the agenda for 2026 planning. Potential U.S. tariffs on European wines could devastate exporters reliant on this market; diversification into other regions such as Mercosur (Argentina, Brazil, Paraguay, Uruguay) becomes critical as new trade agreements eliminate tariffs and protect geographical indications.

Sustainability pressures are reshaping packaging decisions too. Glass bottles account for up to half of a wine’s carbon footprint; lighter-weight glass or alternative formats like cans or recycled PET bottles offer environmental benefits while reducing costs associated with transportation and regulatory compliance.

Consumer perception remains a barrier—many still associate heavy glass with quality—but industry-wide education campaigns aim to shift expectations toward more sustainable packaging options without sacrificing perceived value.

As wineries navigate these challenges in 2026, success will depend on their ability to adapt quickly: investing in technology; realigning portfolios; embracing new marketing channels; creating memorable experiences; leveraging data; diversifying markets; and committing fully to sustainability across operations—from vineyard practices to packaging choices.