Dry January
An Evolving Tradition

MARCH 2023
Background & Growing Interest

Dry January Participation & Brand Activity

Looking Ahead: Future Opportunities & Interest Areas
Dry January

Background & Growing Interest
Dry January started in 2013 as a campaign to increase awareness of health risks associated with alcohol by non-profit Alcohol Change UK. Over the past decade it has evolved into a cultural movement, embraced by anyone looking to hit the reset button and benefit physically, mentally, or even financially as an annual tradition.

As a greater focus on health and wellness challenges alcohol consumption, Dry January is also having a growing impact on the alcohol category. January-specific alcohol beverage household penetration has declined 3% since 2021. Most Dry January participants are younger, legal age drinkers, who state the main reasons for participating includes “trying to be healthier” and “trying to drink less overall”.

Although the tradition continues to have significant traction amongst consumers, participation slipped 4%, from 19% in 2022 to 15% this year, potentially as a result of growing overall moderation. Consequently, brands across the industry are leaning into not only the moment, but NOLO and beyond non-alcoholic alternative beverages to capture the nascent and growing market.

Source: 1. Numerator 2. Morning Consult
Interest in Dry January Continues to Grow as the Trend Gains Traction with Consumers

As of 2023, nearly 1 in 4 U.S. adults have heard something about Dry January.¹

Growth in year-round consumption of NOLO alcoholic beverages, as well as growing adoption of teetotalism has also supplied the movement with additional momentum as the category continues to gain interest.

Source: 1. Morning Consult

Source: Google Search Trends
Brands Across the Industry Are Leaning Into the Dry January Moment & NOLO Options

“People want better non-alcoholic options without sacrificing flavor.”

“Continued commitment to making moderation cool and the ultimate expression of relevant, responsible consumption.”

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“Fortunately, staying away from alcohol no longer means you must stay away from concerts, dinners out or even trips to the vineyards.”

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“The trend for low and no is certainly picking up pace and there is a place for high quality options of both no & low drinks.”

“It’s not about getting rid of alcohol, we’re not anti-alcohol at all. We’re just another tool in the cocktail kit.”
Dry January 2023

Participation & Brand Activity
15% of Adults 21+ Participated in Dry January in 2023

Overall participation dipped 4% from a peak in 2022, however this is likely due to a decline in alcohol drinkers overall.

The share of millennials who said they drink alcohol declined from 69% in December 2021 to 62% a year later. This translates to fewer potential Dry January participants.

However, lower participation levels could be viewed as a signal consumers are adapting moderation as a more regular part of their everyday lifestyle, rather than confining the behavior to a single month.

Dry January Participation by Generation

Sources: 1. Morning Consult; 2. Drizly
Although Participation Was Down, Participants Grew More Committed

72% of 2022 Dry January participants said they would again in 2023, and of those that participated, an 70% said they would not drink at all, up from 52% in 2022. While commitment to sustained alcohol abstinence for January grew, the larger trend appears to be in overall moderation rather than complete elimination.

According to alcohol delivery service Drizly, 82% of consumers who purchase non-alcoholic wine, beer, and spirits have also purchased alcohol on the platform, and some are even purchasing alcoholic and non-alcoholic products in the same basket.

Sources: 1. Morning Consult

Dry January Participation Levels

- I will drink more than a few days, but less than I normally would
- I will only drink a few days

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<th>2022</th>
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<tr>
<td>I will drink more than a few days, but less than I normally would</td>
<td>24%</td>
<td>11%</td>
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<tr>
<td>I will only drink a few days</td>
<td>23%</td>
<td>19%</td>
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<tr>
<td>I will drink more than a few days, but less than I normally would</td>
<td>52%</td>
<td>70%</td>
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Creating Cultural Relevance

As brands look to build awareness for NOLO product availability, many are deploying strategies that leverage star power and association with premium IP as means to drive cultural relevance and endorsements.

Putting the Product to the Test

An ongoing major barrier that both established and emerging brands must overcome is comparison to traditional alcohol versions. Brands continue to look for creative ways to breakthrough with their messaging in order to communicate with consumers in a way that is relatable to encourage trial.

Building DTC Relationships

Connecting with consumers directly, particularly younger generations that are looking for alcohol alternatives, is a critical driver for NOLO brands with unique product benefits. Social media, influencers, and promotions are heavily relied upon by DTC brands looking to build relationships and drive direct sales.

Embodying Health & Wellness

36% of consumers drink less alcohol for benefits to either their physical or mental health. As consumers demand brands to incorporate more functionality into their products, wellness has become a consistent theme to the approach and messaging of many NOLO brands.

Source: 1. Mintel
As Awareness Increases, Overall NOLO Sales Continue to Climb

All non-alcoholic subcategories combined saw a +70% share increase in sales YoY in January 2023 on Drizly. Of these three subcategories, non-alcoholic beer recorded the largest share, growing +25% YoY.1

Non-Alc share of total alcohol continues to grow as well, increasing by +21% in 2022 versus the year prior.2 Despite this growth, non-alcoholic beer is only set to comprise 2.3% of the total alcohol market revenue in 2023.3

"As non-alcoholic share continues to grow on Drizly it has become apparent that the consumers shopping these products go beyond just non-drinkers”
- Liz Paquette, Head of Consumer Insights

Heineken 0.0 Continues to Dominate NOLO Category Media Spend; Emerging Brands Are Expanding Their Visibility

Heineken 0.0 enters the market early and remains prominent

Heineken 0.0 accounted for 97% of all ad spend in the NOLO category in January '22 and 62% of the category's full year ad spend. 24% of the brand's 2022 ad spend total came in the month of January.

In January '23, 93% of the category's total ad spend for the month came from Heineken 0.0.

Although total ad spend has decrease -14% YoY in the month of January, 2022 total ad spend across the NOLO category increased by +14% vs '21, and an even more significant +28% from mid-tier and long tail advertisers, as brands are continuing to adapt to shifts in consumers' lifestyles of adopting moderation throughout the year.

Source: MediaRadar
Looking Ahead

Future Opportunities & Interest Areas
Functional adult beverages and CBD/THC infused beverages continue to gain prominence among drinkers looking for alcohol alternatives.

These categories are comprised of a variety of beverages intended to help consumers mitigate stress, like alcohol, but without the added negative effects.

Education is key in this category, as brand must work to communicate ingredients and product benefits.

NOLO Beverages are Moving Beyond Non-Alcoholic Alternatives
01. **Build Relevance Through Cultural Connection**

Build cultural capital by embracing impactful opportunities like alignment with IP, events, influential talent, and social engagement.

02. **Engage Strategic Growth Audiences**

Leverage the combined power of incremental reach platforms and passion points to connect and resonate with audiences that over-index for NOLO engagement such as younger legal age drinkers and millennials.

03. **Create Interactive Experiences**

Get closer to point of purchase and prompt audiences to discover, engage, or buy through actionable content and commerce opportunities.

04. **Plan for NOLO Year-Round**

As moderation grows in adoption, it expands from a moment in time imitative to a year-round area of interest for not just non-drinkers but for all as many people are purchasing alcoholic and non-alcoholic products simultaneously.
Make Our Insights Work for You

Alcohol Industry Assessment

Preparing for the Impact of Inflation

A New Era of Wellness

CPG & Beverage 2022 Media Spend Recap
Thank You!

For more information, reach out to your Client Strategy Beverage Team:
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