



Gen Z's Sober Curiosity

Redefining vice and healthy living

Spring 2024



The Big Picture

Gen Z is decreasing their alcohol intake and driving the market for no- and low-alcohol beverages



Gen Z isn't abstinent—they're focused on moderation and complimenting their alcohol intake.

The generation of mindful drinkers still wants to have fun—but on their terms. Sometimes that means going dry, and other times it means swapping in a no-lo drink the next round.

Ultra-informed Gen Zers constantly weigh a multitude of choices and motivations when deciding whether to drink—and what.

Wellness, finances, changing tastes, and shifting social dynamics are all at play in Gen Z's cost-benefit over-analysis.



1

The No-Lo Beverage Boom

Examining the tone-shift and ensuing consumption patterns in the alcoholic beverage space

2

A Generation of Mindful Drinkers

Exploring the dynamics driving Gen Z's dwindling taste for alcohol

- Health & mental wellness
- Economic factors
- Changing tastes & preferences
- Shifting social dynamics & social acceptance

A top-down photograph of a person sitting on a green lawn. They are holding two clear plastic cups. The cup in their right hand contains a light-colored beverage with ice and a slice of lime. The cup in their left hand contains a reddish-brown beverage with ice. The person is wearing blue jeans, white lace-trimmed sleeves, and tan sandals with red nail polish.

1

The No-Lo Beverage Boom

Examining the tone-shift and ensuing consumption patterns in the alcoholic beverage space

The narrative around alcohol has shifted from fun to fretful

Enthusiasm for drinking has declined



VICE

How Alcohol Lost Its Cool

A third of pub visits are now alcohol-free, but drinking has been losing its cred in pop culture for a while now.

September 1, 2022, 5:47am

GALLUP

WELLBEING AUGUST 17, 2023

More Americans View Moderate Drinking as Unhealthy



No level of alcohol consumption is safe for our health

4 January 2023 | News release | Reading time: 3 min (759 words)

Sober-curiosity is on the rise

The New York Times

Dry for January? New Bars Cater to the 'Sober Curious.'

A former barfly samples alcohol-free bars and mocktail pop-ups in New York City.

'Sober October' is here. With more non-alcoholic options, it's easy to observe. Here's how.



Mike Snider
USA TODAY

Published 11:32 a.m. ET Oct. 2, 2023

NEWYORKPOST

'Damp lifestyle' is the newest drinking trend on TikTok

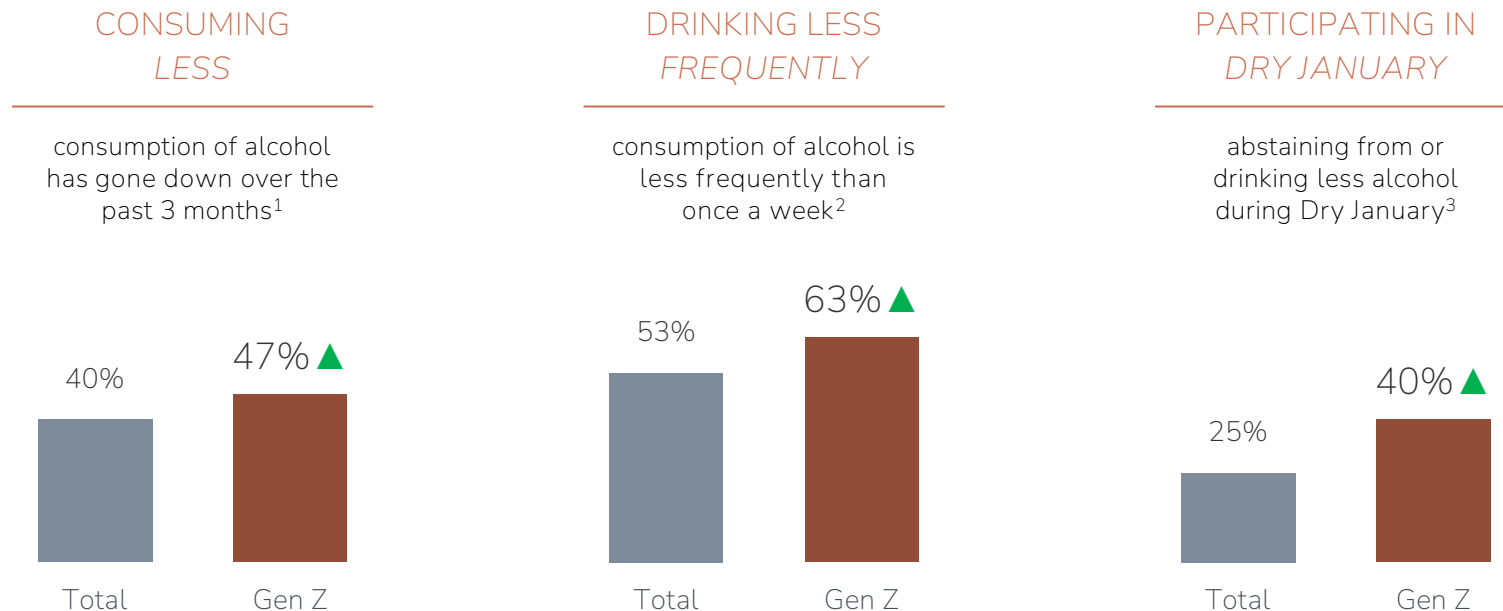
By **Brooke Steinberg**

Published Nov. 17, 2022 | Updated Nov. 17, 2022, 1:53 p.m. ET



Source: [TikTok, @splantzz](#)

Gen Z is at the fore of decreased alcohol consumption



Sources: Collage Group Category Essentials Alcoholic Beverages Spring 2024 (21-78 alcohol consumers), weighted data

¹ Single-select (original question: "How has your consumption of alcohol changed over the past 3 months, if at all?" Answer options included: "I've been consuming less / the same amount / more")

² Single-select (original question: "How frequently do you drink alcohol?" Answer options included: "I have a drink at least once a week" or "I drink alcohol, but not every week")

³ Single-select (original question: "Are you participating in Dry January this year?" Data includes answer options "Yes, I'm not drinking any alcohol" and "Yes, I am drinking less alcohol")

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The no- and low-alcohol beverage category (“no-lo”) is booming

The no- and low-alcohol global market value exceeded \$11B in 2022.

Up from \$8B in 2018

- No- and low-alcohol products grew by over +7% in volume in 2022.
- Pace of growth is projected to surpass that of the last 4 years, with forecast volume CAGR of +7% 2022-26, vs. +5% 2018-22.



Non-alcoholic beers, wines, and spirits are flooding the market right now

JANUARY 4, 2023 · 6:50 PM ET
HEARD ON ALL THINGS CONSIDERED

EATER

The Rise of the Nonalcoholic Bottle Shop

Across the country, brick and mortar stores are opening to serve the needs of anyone looking for a fancy drink of something low-to-no proof
by [Danya Evans](#) | Nov 23, 2023, 10:36am EST

BUSINESS INSIDER

Dry January spurred record non-alcoholic drink sales at Soho House

by [Shubhanshu Goyal](#) | Mar 19, 2024, 9:22 AM EDT

Wirecutter

The Best Nonalcoholic Drinks

By [Mace Dent-Johnson](#) | Updated January 26, 2024



Source: [IWSR, “No- and low-alcohol category value surpasses \\$11bn in 2022”, December 2022.](#)

Note: The 10 key global markets examined by IWSR included United States, Canada, United Kingdom, Australia, Brazil, France, Germany, Japan, South Africa, and Spain.

Importantly, there's a significant overlap between no-lo consumers and alcohol consumers

"It's a misnomer that nonalcohol drinks are for sober folks... This is about choice.

...Many folks flip back and forth between a higher proof and a no-proof, or low-proof, drink."

—HEIDI DILLON
MANAGING DIRECTOR AT DISTILL VENTURES¹



78%

of consumers of no-lo products also drink full-strength alcohol .²



Sources: ¹ [The New York Times, "As Interest in Wellness Stirs Up the Cocktail World, This Executive Gets Her Shot", April 27, 2023.](#)

² [IWSR, "No- and low-alcohol category value surpasses \\$11bn in 2022", December 2022.](#)

No-lo beverages like mocktails are a complement to Gen Z's alcohol consumption

Gen Z reaches for them because they like new things and unique flavors—not necessarily because they don't like alcohol at all

Why do you drink (or are interested in trying) mocktails (non-alcoholic mixed beverages)?²

76%

of Gen Z drinks or is open to trying **mocktails**¹

Compared to 62% of Total Pop

	Gen Z
I like to try new things	51%
I want complex flavors beyond what regular beverages/sodas provide	28%
I want a healthier/safer alternative to alcoholic beverages	28%
I want drinks with health/nutritional benefits	26%
I want a less expensive alternative to alcoholic beverages	25%
I want to fit in in social situations where alcohol is present	19%
I don't drink alcohol for personal, health, or religious reasons	15%
I don't like the taste of alcohol	15%



Source: Collage Group Category Essentials Fall 2023 (21-77), weighted data

¹ Single-select (original question: "How often do you drink mocktails (non-alcoholic mixed beverages)?" % Regularly; Occasionally; Rarely; or Never, but am open to trying them)

² Multiselect (only asked of respondents who consume or are open to trying mocktails)

Significance test: Confidence level 95%. ▲ ▼ over/under Total

2

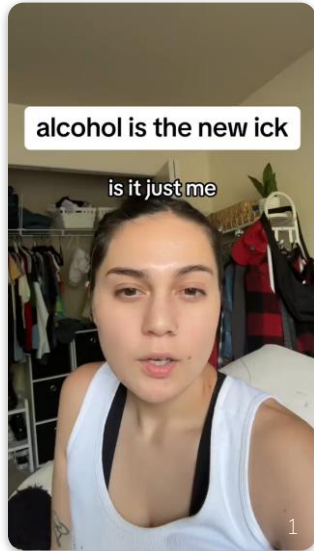
A Generation of Mindful Drinkers

Exploring the dynamics driving Gen Z's dwindling taste for alcohol

- Health & mental wellness
- Economic factors
- Changing tastes & preferences
- Shifting social dynamics & social acceptance



Gen Z takes a more critical approach to drinking



Health & mental wellness

Is drinking worth the hangover?

Economic factors

Is drinking worth the cost?

Changing tastes & preferences

Is drinking really satisfying me?

Shifting social dynamics & social acceptance

Is drinking the right vehicle
for socializing?



Source: ¹ [TikTok, @ashleynikkolex](#)

² [TikTok, @natalie_trevino_amaro](#)

Social media drives Gen Z's strong interest in wellness and mental health

It also makes them acutely aware of the detriments of alcohol, in contrast to generations prior



42% ▲

of Gen Z are focused on improving their **mental health** & **emotional wellness**.¹

compared to 32% of Total Pop.

"With more available research and open discussion, their knowledge is increasingly multi-faceted...

It's easier than ever to learn more about the perils of drinking, whether that's by doing a quick Google search, tapping into TikTok communities like #SoberTok or talking with friends and family members."

BBC, "WHY GEN ZERS ARE GROWING UP SOBER CURIOUS"²



Source: Collage Group Health & Wellness October 2023 (21-77 population), weighted data

¹ Multiselect, Max. 3

Significance test: Confidence level 95%. ▲ ▼ over/under Total Pop.

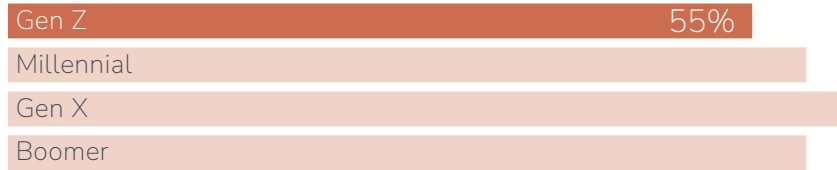
² [BBC, "Why Gen Zers are growing up sober curious", September 22, 2022.](#)

Both physical *and* mental health are key motivators for Gen Zers cutting back on alcohol

Why have you been consuming less alcohol lately?



To improve my physical health



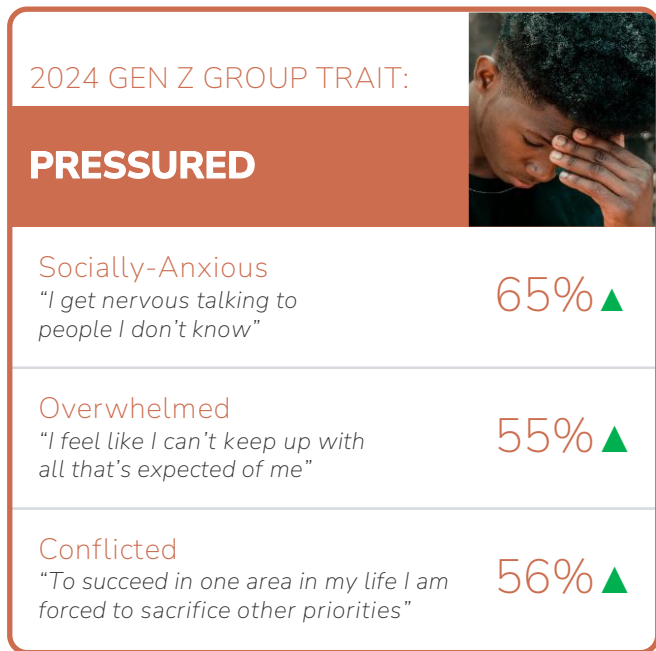
To improve my mental health



Why 'hangxiety' is forcing Gen Z to ditch the booze as experts claim young people experience heightened feelings of stress and anxiety after heavy drinking



Pressured Gen Zers are risk-averse and ultra-analytical



Living through periods of vast uncertainty, plus growing up online, have resulted in Gen Z being a generation under pressure.

They're self-aware and anxious, constantly reminded of what can go wrong and what they "should" be striving towards.

They're extremely conscious of their image and the potential consequences of drinking. They prefer to feel in control of their life.

They're also critical of how they spend their time and money—cognizant of the never-ending tradeoffs between their desires.



Source: Collage Group Cultural Traits Survey, January 2024 (21-78 population), weighted data

% agree, strongly agree

▲ ▼ Significantly over/under Non-Gen Z. Confidence level 95%

The economic woes of Gen Z's lifetime result in a polarized internal debate between money-consciousness and “YOLO” attitude

Gen Zers are “children of the Great Recession”

In childhood, they felt the financial crisis' impact on their families and communities and witnessed Millennials struggling into early adulthood

They're coming of age into more economic hardships

As Gen Z emerges into adulthood, they're personally experiencing an array of financial burdens: student loan debt, the cost-of-living crisis, stagnant wages, unemployment, and inflation. As a result, they're hyper-aware of where their dollars go.

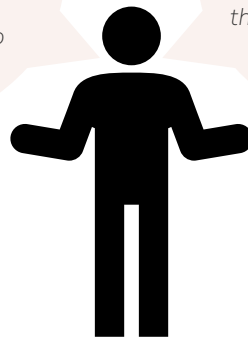
Gen Z's internal economic conflict

Desire to be
money-conscious and
financially savvy

*“I know what I'm up against,
and therefore I'm going to do
what it takes to surpass it.”*

Desire to enjoy
what is within reach

*“I'm already so far behind, what's
the point in trying? I might as well
enjoy what I can in life.”*



Many Gen Zers are curbing alcohol consumption because it isn't worth the cost

49%

of Gen Z alcohol consumers
drinking less say they're
doing so to save money



"Clubs are literally [charging] \$20 for a tiny drink that tastes like gasoline, and that doesn't even include tip ...Ideally I'd like to buy a drink about once an hour. So let's say I go out for an average of three hours. That's, like, \$70 just to go out and drink, aka, like a week of groceries."



Source: Collage Group Category Essentials Alcoholic Beverages Spring 2024 (21-78 Alcohol consumers who have consumed less alcohol in the past 3 months), weighted data
Multiselect answer option

¹ [TikTok, @yellerweller](#)

Drinking routines are also in flux as Gen Z adapts to an evolving social landscape

Shifts in the
social landscape



Internet/social media



Pandemic

The impact



Desire for connection



Other ways to socialize

Dating apps | Social media | Online gaming
Smaller groups | At home

The outcome



Changing priorities

Socializing | Drinking | Spending



Source: ¹ [TikTok, @jennay4399](https://www.tiktok.com/@jennay4399)

Evolving social norms and an expanding market of functional beverages have Gen Z reconsidering their consumption choices

37%

of Gen Z alcohol consumers said they opt for **cannabis** over alcohol in social settings¹

Compared to 20% of all alcohol consumers

Which of the following types of mocktails would you be interested in drinking?²

	Total Pop.	Gen Z
Fruity mocktails	32%	43%▲
Healthy mocktails	24%	26%
THC-infused mocktails	15%	25%▲
Fizzy or sparkling mocktails	19%	24%▲
Mocktails that taste very similar to actual cocktails	22%	23%
Trending mocktails	12%	23%▲
Mocktails that come ready to drink in a bottle or can	19%	20%
CBD-infused mocktails	12%	16%▲
Mocktails that have complex ingredients	10%	15%▲
I never drink mocktails and have no desire to try them	39%	23%▼



Source: ¹ [Brightfield Group: U.S. Wellness Consumer Insights: Q1 2023](#)

² Collage Group Category Essentials Fall 2023 (21-77), weighted data

Significance test: Confidence level 95%. ▲▼ over/under Total

DRIVING FACTOR: SOCIAL ACCEPTANCE

Social media exposes Gen Z to sober-curious lifestyles and empowers them to embrace going against the 'norm'

The Washington Post
Democracy Dies in Darkness

Opinion | I'm not embarrassed to tell people I'm sober anymore. Here's why.

"Lately, I've been inspired to be more open about my sobriety by tons of recent graduates and college students who were much bolder about talking about their decisions than I've been in the past."

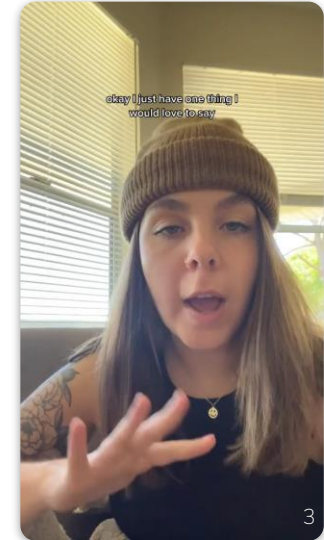
—RENEE YASEEN

GEN Z POST GRAD WRITER FOR THE WASHINGTON POST¹

GOING OUT SOBER



DRINKING LESS



Source: ¹ [The Washington Post, "Opinion: I'm not embarrassed to tell people I'm sober anymore. Here's why.", November 16, 2023.](#)

² [TikTok, @ashleynschwartz](#)

³ [TikTok, @lexidahlia](#)

Gen Z's value of inclusivity is driven by their Collective Individuality Group Trait

2024 GEN Z GROUP TRAIT:

COLLECTIVE INDIVIDUALITY



Open-Minded

"I enjoy learning from people who have different perspectives and life experiences than my own"

78%

Uniqueness

"I'm proud of the things that make me different from my peers"

73%

Creative

"I like to express myself through style, creativity, etc."

73%▲

ON GEN Z'S SUPPORT FOR EMBRACING SOBRIETY

"There's a lot of freedom in this generation, I feel like, especially with expression and being yourself and not being afraid to be yourself."

—JULIAN MENDELSON, SOBER GEN ZER¹

"Friends who haven't limited their drinking as much as me think it's cool when people go out sober. It's a you-do-you mentality where people are respectful of your choices..."

—LOLA, SOBER-CURIOUS GEN ZER²

Source: Collage Group Cultural Traits Survey, January 2024 (21-78 population), weighted data

% agree, strongly agree

▲▼ Significantly over/under Non-Gen Z. Confidence level 95%

¹ CBS News Philadelphia, "Gen Z and beyond exploring the 'sober curious' movement", December 14, 2023.

² BBC, "Why Gen Zers are growing up sober curious", September 22, 2022.



The market is responding to Gen Z's demand for alcohol-free options

THE WALL STREET JOURNAL.

More travelers are 'dry-tripping.' Airlines and hotels have noticed.

Zero-proof cocktails are popping up on menus as more people choose sober travel

JetBlue Becomes First Major U.S. Airline to Offer Non-Alcoholic Beer

yahoo/news



THE WALL STREET JOURNAL.

When Did Rock Concerts Become Tame? Thank Alcohol-Free Gen Z

'Conspicuous teetotaling' is now prevalent at hot acts, confounding older partyers. 'This would have been alien to me.'



Forbes

How The New Bar Became Coachella's First Non-Alcoholic Partner



Appeal to a generation of mindful drinkers with messaging that encourages an individualized approach to consumption



The Free Spirits Company, a non-alcoholic spirit brand, speaks to Gen Z's choosy and fluid relationship to alcohol.

Gen Z are drivers of the no-lo movement, motivated not by a distaste for alcohol, but rather a desire for more control in their choices.

The brand stands firmly behind these values by encouraging consumers to drink in a way that aligns with their own personal needs rather than always following the norm. Free Spirits recognizes that this is fluid, too—encouraging consumers to “dial-up or dial-down their favorite cocktail.”



Free Spirits, “Drink Like You Mean It”



Source: [Free Spirits, “Drink Like You Mean It”](#)
[Free Spirits](#)

Key Takeaways & Action Steps

KNOW THIS

FOUNDATIONAL INSIGHT: GEN Z

Gen Z's sober curiosity indicates their broader shift from 'tradition'. Gen Z puts less stock in 'the way things have always been' or 'what everyone else is doing' and unabashedly turns inward to make individualized choices that are best for themselves.

DRIVER INSIGHT: ECONOMIC CONSIDERATIONS

Finances are a key pain point for Gen Z consumers, but it's not as simple a question of "can I afford this?"—but rather "is this *worth* my limited resources?" (both money *and* time). A generation stretched thin takes an ultra-analytical approach to consumerism.

CATEGORY INSIGHT: ALCOHOLIC BEVERAGES

Gen Z's relationship to alcohol is fluid, at times opting for a no-lo alternative and sometimes cutting back on consumption overall. The generation doesn't *dislike* alcohol—they just don't glamorize it and are easily satisfied by other things than just the effect of alcohol.

DO THIS

- Don't expect Gen Z to follow traditional norms or consumer trends just for the sake of it. Give them a strong 'why' behind your brand and product that they can connect to.
- Give Gen Z lots of details on your product and brand to make them feel confident they'll get the value they desire out of it.
- Preempt any seeds of doubt by opting for transparency and authenticity, such as making customer reviews easily accessible and promoting organic UGC.
- Lead with the differentiating attributes of your product (*other than ABV*) to stand out amongst the myriad of alcohol and no-lo beverage options available. This could be unique flavors, health benefits, and even brand values to catch choosy Gen Zers' attention.





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