Functional Drinks

Drinking with meaning: Decoding consumer need states

Club Soda

KAM

Introduction

Laura Willoughby, MBE
Co Founder, Club Soda

At Club Soda, we've always said the future of drinking isn't about what's missing - it's about what's possible. As the lines blur between wellness, socialising, and self-expression, a new generation of drinks is rewriting the rules. Functional and feel good drinks are no longer fringe curiosities for wellness devotees; they're becoming part of how people socialise, relax, and express themselves.

Because occasions still matter. We drink to mark moments, to connect, to celebrate, to switch off. And right now, the evening moment is wide open. Nearly half of consumers say they'd choose a functional drink at home to unwind, and six in ten want their alcohol alternatives to still help them feel good.

Forget the clinical language of "wellness" and "performance". These drinks have real cultural potential: they give people something to hold, something to talk about, and something that actually changes how they feel, without the after-effects. With adaptogens, nootropics, and botanicals doing the heavy lifting, they offer a new kind of sociability that fits modern life.

The data tells us that people are actively searching for drinks that deliver more meaning and better moments. Alcohol used to own that space. Now, functional drinks are stepping in, not as substitutes, but as serious contenders. The brands and venues that recognise this shift won't just follow a trend; they'll redefine how we drink, together - creating spaces and rituals that match how people actually want to live now.

Introducing the Functional Drinks Collective

The Functional Drinks Collective unites a new wave of brands on a shared mission: to redefine what it means to drink well.

Together, we champion drinks designed to elevate mood, enhance wellbeing, and deliver functional benefits, offering people more ways to feel good. Through collaboration, shared insight, and bold ideas, we're building a category that's as credible as it is enjoyable. Because functional drinks don't belong only in the wellness aisle - they belong at the bar, on the menu, and in the rituals that make everyday life feel that little bit better.

Authentic Brew is an all-natural supercharge for Mind, Body and Soul, powered by Mother Nature. A fusion of ancient wisdom and cutting-edge science in our Functional Energy drink and supplements. No Caffeine, no added sugar, no additives, no chemicals, no synthetics, no artificials, no fillers, alcohol free, gluten free, vegan friendly. No Compromises.

Collider's beers blends functional mushrooms and active botanicals for a euphoric calm — no alcohol needed. Enjoy a proper-tasting beer that lifts your mood, helps you unwind, and delivers a natural buzz without the hangover.

Founder Eoin Keanan began exploring CBD over a decade ago and created Goodrays - products expertly crafted to support calm, clarity, and focus. Science-backed, third-party tested, and expertly dosed, the range delivers lasting benefits and premium, naturally delicious flavours in every drop, bite, and sip.

G Spot's mission is to put pleasure back into wellness with delicious, mood-boosting soft drinks. Each bold flavour is boosted with adaptogens and nootropics to address different functional needs covering immunity, energy and relaxation.

Daniel Rowntree. High & Dry is a foresights agency and collaboration studio dedicated to shaping the future of wellness and alcohol-free culture. We partner with innovators to deliver research, strategy and launch creative projects into the world that inspire healthier habits, stronger communities and meaningful consumer connections.

Lion's Mane drink that supports your mind and body, without compromising on taste. We're on a mission to bridge the gap between taste and function, helping people to feel and be their best, wherever, whenever - one small step at a time.

Nekta crafts flavour-first, alcohol-free cocktails infused with adaptogens. Designed for social connection, not substitution, we blend purpose with pleasure - reinvesting profits into recovery support and championing inclusive ways to unwind, celebrate, and feel good.

NuWave mood enhancing, alcohol-free beers are meticulously crafted with the highest quality brewing ingredients, botanicals and biotics. We use a proprietary recipe of natural botanicals for a sociable buzz. And, in a world-first, NuWave combines biotics to support your metabolism and gut health.

PB Creative is an award winning global branding and innovation agency. They build brands with soul, balancing strategy and creativity to create work that connects emotionally, cuts through culturally and delivers commercial impact.

Smiling Wolf - Feel Good | Alcohol Alternative. Bringing the world of functional drinks into the cocktail scene. Liquids with layers and depth, plus the appropriate function for these occasions - mood enhancement. So you can keep feeling the vibe without the consequences.

Three Spirit is a range of premium functional non-alcoholic drinks for those who see wellness as a way to elevate their lifestyle. Developed by bartenders and scientists they harness the power of plants to offer feeling as well as flavour for any occasion.

HEINEKEN is the world's pioneering beer company. It is the leading developer and marketer of premium and non-alcoholic beer and cider brands. Led by the Heineken® brand, the Group has a portfolio of more than 340 international, regional, local and specialty beers and ciders.

All data referenced in this report, unless otherwise stated, is from exclusive research conducted by KAM with 1,000 UK consumers (nationally representative), in September 2025. Respondents were given examples of functional & mood-enhancing drink categories and ingredients to aid definition and provide clarity to the questions throughout.

Key headlines

Are you ready to educate and lead the category?

Nearly 8 in 10 UK adults say they'd try functional drinks - but only 16% understand the ingredients. The desire is there from the customer but they will need their hand held through the immediate journey to discovery.

The new consumer doesn't just want a drink they want an experience

91% of 18–34-year-olds are open to functional drinks and, furthermore, 64% of UK consumers would pay more for functional drinks compared to standard non-alcoholic options. With 41% of UK consumers saying that having functional drink options would encourage more visits to pubs, bars, and restaurants, it's clear that functional drinks can be a conduit to experience-led occasions.

Wellbeing to be a key driver within the alcohol-free space

Wellbeing could well become the key driver for consumer decision making in the non-alcohol space. With 34% of consumers currently agreeing that functional drinks offer more benefits than standard non-alcoholic drinks, 30% agreeing that they are healthier than standard non-alcoholic drinks, and a further 21% believing them to offer better value for money than standard non-alcoholic drinks.

Trust is the missing ingredient

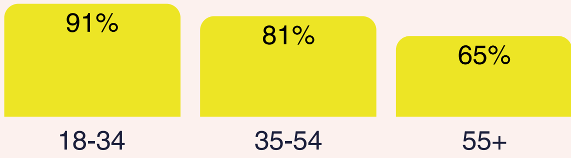
The research highlights that there is both an education gap as well as relatively low confidence or belief that these drinks will deliver on their promise (only 23% say these drinks fulfil their claims). Brands can provide the solution through transparency, clear science, and communication of use-cases, occasions and benefits.

Macro health & wellness trends

89%

of UK adults say they are interested in their own personal health and wellness, with better sleep and relaxation (65%) being the most popular area within this trend, followed by mental wellbeing and stress reduction (55%). The latter is significantly more popular with younger consumers (74% for 18-24s).

Functional drinks attract all age groups, with 79% overall expressing a willingness to try drinks that help reduce stress, improve sleep, boost focus, etc.

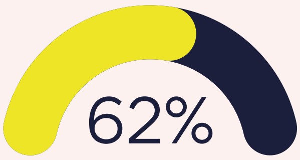


Across the UK, the health and wellness movement is no longer confined to yoga studios and health food aisles, it's becoming part of everyday life. An overwhelming 89% of consumers report that they're actively interested in their wellbeing, and this interest cuts across generations. However, the drivers differ: younger adults are seeking better sleep, improved mental clarity, and stress reduction, while slightly older demographics are focused on maintaining physical performance and energy throughout the day. As this macro shift continues, drinks that support emotional balance, cognitive function, and sleep could move from niche offerings to everyday staples in supermarkets, hospitality venues and other social settings.

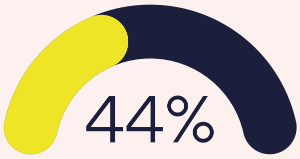
Club Soda KAM

Awareness & appeal

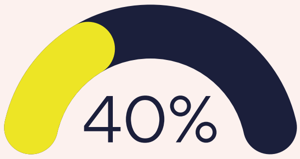
Awareness levels of the following types of functional drinks:



Have heard of **CBD-infused drinks**, with 14% having tried them.

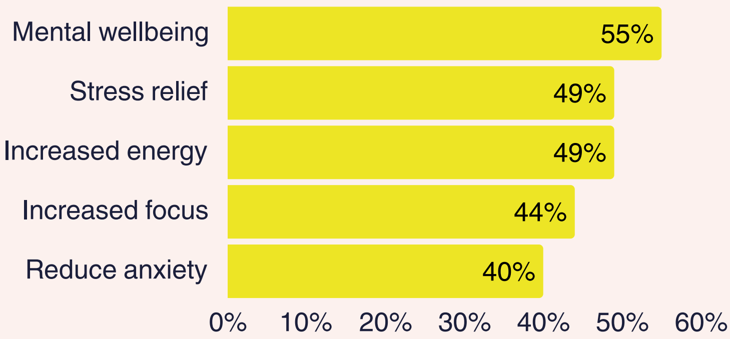


Have heard of drinks with **adaptogens** such as ashwagandha, with 13% having tried them.



Have heard of drinks with **nootropics** such as lion's mane and L-theanine, with 10% having tried them.

The 5 most common words or phrases that consumers associate with the term 'functional' or 'mood-enhancing' drinks are:



79%

of all consumers find the idea of drinks that could support or improve these areas appealing.

With such strong consumer momentum, one might assume that awareness of the functional drinks category is high, but the truth is more nuanced. While CBD enjoys high name recognition, ingredients like nootropics and adaptogens still remain relatively mysterious to many.

This gap in knowledge isn't stopping consumers from experimenting, but it does suggest that mainstream adoption hinges on education. In many ways, the industry is facing a challenge familiar to early-stage wellness categories: how to balance scientific legitimacy with mass communication. Going forward, brands that succeed will be those that strip away jargon and build bridges of understanding between ingredients and outcomes.

Occasions & need states

The most popular occasions that consumers would consider using functional drinks for are:

46%

At home in the evening

31%

As part of a daily wellness routine

26%

During work or study

21%

When socialising as an alternative to alcohol

So, there is a mixture between performance and treat occasions at play. We also see this reflected in the types of categories that they would consider using functional drinks as an alternative or replacement for, with 36% saying traditional carbonated soft drinks, 30% saying alcohol and 27% saying as alternatives for pill/food supplements.

28%

In on-trade occasions specifically, 28% of consumers would see them as legitimate alternatives to alcohol, whilst 21% would see them as replacements to low & no alcohol alternatives. 32% would swap a traditional soft drink for a functional drink.

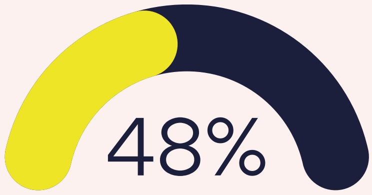
What's particularly exciting is how functional drinks are beginning to find a home across a variety of need states. The data shows they're being considered not just for post-gym recovery or as part of a clean eating routine, but also for winding down in the evening, concentrating during study or work sessions, and even socialising. This signals a clear shift: functional beverages are not just utility products; they are experience enablers. Over time, we can expect product portfolios to reflect this - perhaps with entire ranges dedicated to "calm social," "evening focus," or "morning recharge" moments. For retailers and venues, this opens the door to merchandising and menu placement by need state rather than just flavours or format.

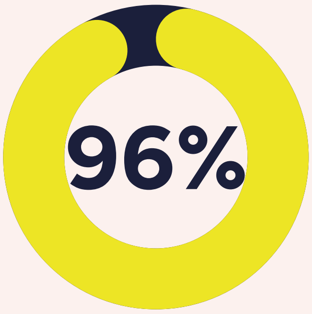
Use cases & frequency

2.1

On average, of those who say they drink functional drinks, consume them 2.1 times a week. 38% of 18-24s, and 50% of 18-34s say they would consume once a week or more.

48% of these consumers have only started drinking them in the last year, with a further 26% saying they first tried one 1-2 years ago – this highlights the infancy of the category. This is relatively consistent across age groups, i.e. 53% of 18-34s v 46% for 55+.





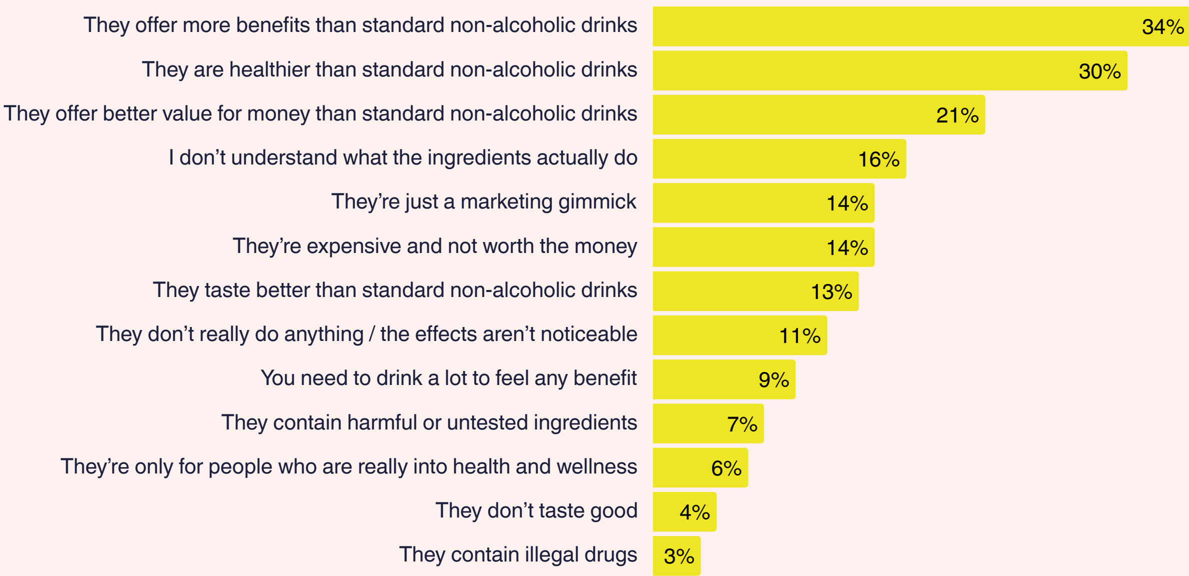
Of those that have used them before 23% say that these drinks deliver the effects they promise, however, 16% say that they rarely or never do. With the majority claiming they sometimes get the benefits (54%) it suggests a hit & miss reaction from consumers. There is, however, a thirst from them to understand the benefits more – with 96% saying that they want to understand the science behind the potential benefits of functional drinks, to some extent.

Mood-enhancement and functionality are important factors when consumers are considering drinks to replace alcohol, when moderating. 61% of all consumers say that if they're cutting down on alcohol, it's important that their alternative drink still offers an element of mood enhancement/functionality. This is even more pronounced with 18-34s, at 80%. Both the breadth of use cases and relatively strong usage frequency, despite the infancy of the category, suggests that functionality drinks have the market stamina to succeed.

Satisfaction with the effect, however, is not yet guaranteed, only around a quarter of users say they always feel the benefit. This presents both a challenge and a critical opportunity. The brands and venues that double down on consistent delivery, backed by credible claims and repeatable experiences, will be the ones to convert early adopters into lifelong customers. We're witnessing the formation of habits and rituals/moments and as we've seen in categories like protein bars, plant-based milks and the emerging low & no category, those habits can scale fast.

Perceptions & value-add

The graph below shows a view of the current perceptions/views most held by consumers, as % of those that agree with each statement:

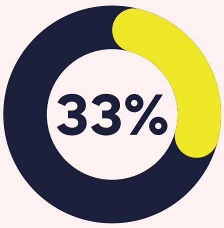


64% of UK consumers are willing to pay **MORE** for a drink with functional benefits than for a standard non-alcoholic drink. This rises to 86% for 18-34s. Frequent alcohol drinkers are more willing to pay more (71%) compared to infrequent alcohol drinkers (58%) – suggesting they place a greater value on drinks with purpose.

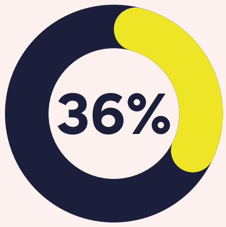
There's also a story to tell about value perception. While consumers see functional drinks as healthier than standard soft drinks, few are yet convinced that they offer better value. Herein lies a key insight: pricing strategy in this category cannot rely on functional claims alone. Without a clearly felt benefit, consumers (particularly older ones) will push back on price. However, the younger cohort (18–34) is far more willing to pay a premium, especially when the drink offers a believable effect and a satisfying experience. This suggests a two-track future: a mass-market tier focused on accessibility and a premium tier anchored in efficacy, storytelling, and perhaps even ritual.

Social preferences & experiences

Increasing the availability of functional drinks within hospitality settings can drive an improvement in the social experience and social interactions within these spaces, which in turn will drive a net-positive increase in footfall. Operators are at risk of leaving 'money on the table' by not offering a credible range of functional drinks.



of consumers believe that having functional drink options enhances their social experience in pubs, bars & restaurants.



of consumers believe drinking functional drinks during a night out could enhance interactions and help maintain presence in social settings.

41%

Furthermore, if pubs, bars and restaurants had a choice of functional drink options available, 41% of UK consumers say it would encourage them to visit them more often than they currently do.

Consumers would be more likely to try functional drinks if...

30%

They were more visible on bar/restaurant menus

20%

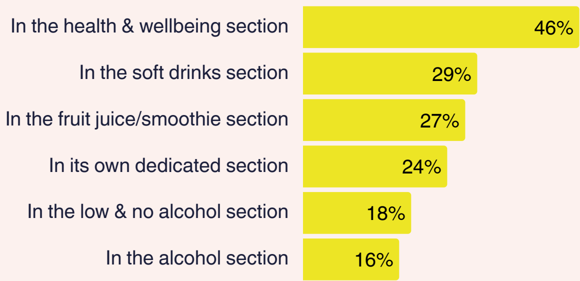
They were included/added to alcohol-free cocktails

Social settings are becoming transformative for functional drinks, with many consumers believing these beverages can enhance their nightlife and social interactions. This shift may change the perception of non-alcoholic options in bars and restaurants, positioning functional drinks as desirable choices rather than mere alcohol-free alternatives. Future menus might feature "feel good pairings," staff trained to assist with mood-based selections, and a focus on wellness in nightlife. This concept can extend beyond cocktails to coffee/soft drinks, catering to customer preferences for beverages with added benefits.

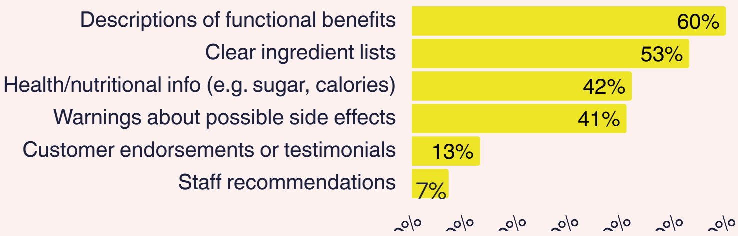
Visibility & accessibility

75% of UK consumers actively look for information/want to understand the amount/type of active ingredients in mood enhancing & functional drinks, to at least some extent.

Consumers have mixed expectations about where to find functional drinks in **supermarkets**. Consumers are more likely to view these drinks as health options or soft drink alternatives rather than low/no alcohol replacements. On average, they prefer these products to be located in two areas, likely the health section and one additional spot.



83% of UK consumers say they would like more information available to them in supermarkets to give them more confidence in choosing these types of drinks in general. The most popular pieces of information are as follows:



56% How can pubs, bars and restaurants help consumers? Well, 56% of consumers say that if these venues used a simple symbol (like vegan/vegetarian icons) to show drinks that are functional then they would find that very helpful.

For all the innovation, visibility remains an issue. Consumers express a strong desire for more information about these products and greater clarity in how they're merchandised and displayed. Many want to find them not only in traditional beverage sections but also alongside health products. What's more, nearly three-quarters of respondents say they'd like to understand the benefits better - especially younger shoppers. This reveals a tension: demand is growing faster than understanding. The brands and retailers who commit to education, whether through packaging, shelf-talkers, QR codes, or in-store tasting, will be the ones to accelerate this category's maturity.

Why this category matters now

Shopper demand is outpacing retail and on-trade execution. If we make the category easier to find, understand and try, it will drive incremental trips, premium baskets, and all-day sales. This isn't just a 'health aisle' play - it taps lifestyle and occasion trends across soft drinks, alcohol, and alcohol-free.

Act on occasions

Retailers should site products by need-state and occasion, not just in 'health & wellness'. Use simple language and iconography such as: Focus for work/study, Calm/Unwind, Clean Energy, Gut/Wellbeing, Sleep. Placement matters - chilled singles in meal-deal fridges, self-checkout coolers, or coffee fixtures. Cross-merchandise by need: Focus with lunch deals, Relax with evening meal kits, Gut health with yoghurts, Calm/Sleep with teas.

In on-trade, create a "Mood & Functional" menu section, segmented by occasions: Social lift, Focus/Clarity, Calm/Unwind. Use day-part prompts: pre-noon focus mixers, post-work calm spritz, late-night alcohol-free nightcaps. Elevate soft-drink moments with premium serves and staff prompts ("Something to help you unwind or focus?").

Fix the language

"Functional" is industry jargon. Shoppers connect with benefits, not ingredients. Use headers like Focus, Calm, Energy, Gut, Sleep, Immunity. On pack and POS, lead consumers from how it works to how you'll feel. Brands should align on a consistent, consumer-friendly vocabulary.

Educate to convert

Close the conversion gap with clear POS and menu call-outs, e.g. Calm – feel relaxed in 30-60 mins. Use icons (like vegetarian/vegan labels) to show benefits at a glance. Keep science credible but simple, and empower staff to encourage trial.

Borrow from Low & No

Leverage learnings from the low & no category. Price/value is a known barrier: We know from the recent KAM 'Drinking Differently: Low & No 2025' report that UK consumers are 31% more likely to choose alcohol-free beer over a soft drink when moderating if the value stacks up. Functional drinks already show stronger appeal: 34% say they offer more benefits, 30% say they're healthier, 21% see better value - and 33% consume them weekly (vs. 12% for low & no). This signals the potential for greater frequency of consumption and wider range of occasions than traditional low & no products.

Executive summary

The rise of functional drinks is no longer a niche wellness fad. It reflects a broader shift in how UK consumers think about health, emotion, and consumption. This new wave of beverages is stepping beyond hydration or refreshment and entering a space where drinks serve a deeper purpose: to relax, energise, uplift, or balance.

Health and wellness now guide decision-making for most adults, with nine-in-ten claiming to care about their overall wellbeing. Mental clarity, emotional balance, and stress relief are high priorities. Consumers are looking for solutions that fit seamlessly into their lives, and drinks enhanced with adaptogens, nootropics, and mood-balancing botanicals are becoming part of that toolkit. Yet, there is a gap between interest and understanding. While many are intrigued, awareness of functional ingredients remains low, and expectations are not always met. Fewer than one-in-four say they consistently feel the intended benefits of these drinks. For the category to grow, clarity and credibility will be crucial. Brands that can tell a simple, trustworthy story about what their drinks do will earn greater loyalty.

Functional drinks are already influencing routines. From replacing wine in the evening to serving as a mid-afternoon pick-me-up or a pre-workout boost, these beverages are becoming purposeful choices. But beyond function, they also offer new opportunities for social connection. Many consumers see them as a smarter way to enjoy nights out. This shift is especially relevant for pubs, bars, and restaurants. As traditional alcohol habits change, functional drinks can unlock new occasions and customer segments. They are not just alcohol alternatives, but experience enhancers, offering social value without the downsides of drinking. The opportunity is clear: reimagine menus, train staff to talk about these drinks with confidence, and spotlight them as centrepieces, not compromises. However, the category is not easy to navigate. Consumers report confusion about ingredients and effects, and many discover products by chance rather than intent. Better merchandising, clearer messaging, and sampling strategies will be key. Positioning must evolve, from lesser shopped wellness shelves to prominent, purpose-driven spaces in-store and on menus.

Looking ahead, we expect a split in the market: accessible, flavour-first products for casual wellness seekers, and more premium, efficacy-led offerings for informed consumers. As the category matures, mood-based branding, functional drink flights, and personalised suggestions could become the norm in both retail and hospitality. The bigger message is this: functional drinks are not just about function, they are about feeling. The brands and venues that respond with empathy, transparency, and imagination will not just ride the trend - they will help shape the future of how we drink, connect, and care for ourselves.

Blake Gladman
Strategy & Insight Director, KAM

Functional Drinks

Drinking with meaning:
Decoding consumer need states