

RTD Alcoholic Beverages - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"RTD (ready-to-drink) alcoholic beverages continue to be an "also drink" alcohol type, trailing behind beer, wine, and spirits in consumption and volume sales."
- **Beth Bloom, Associate Director - Food & Drink**

This report looks at the following areas:

- **Volume sales of alcohol stagnate**
- **RTDs are secondary to other alcoholic beverages**
- **RTDs lack a strong identity**

The category, which includes FMBs (flavored malt beverages), prepared spirits-based cocktails, and wine coolers has seen recent strong innovation, moving it further away from the cloying alcopop realm and toward a more acceptable option that offers versatile flavors and formats for a wider array of occasions. While a general slowdown in alcohol consumption and sales challenges the category, the nimble nature of the smaller market has allowed for the launch of products that appeal to health-conscious consumers, convenience seekers, and beyond.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

RTD Alcoholic Beverages - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

The issues

Volume sales of alcohol stagnate

Figure 1: US volume sales of beverage alcohol, by channel, 2013-17

RTDs are secondary to other alcoholic beverages

Figure 2: Alcohol consumption, September 2018

RTDs lack a strong identity

Figure 3: Attribute perception, flavored alcoholic beverages vs alcohol (excluding flavored alcoholic beverages), January 2017-October 2018

The opportunities

Convenience is a win for RTD alcoholic beverages

Figure 4: Reasons for consuming RTD alcoholic beverages, September 2018

It's all about flavor

Figure 5: RTD alcoholic beverage purchase drivers, September 2018

Consumers want versatility

Figure 6: Ideal RTD alcoholic beverage, September 2018

What it means

The Market – What You Need to Know

FMB sales grow 20% from 2013-18

Prepared spirits-based cocktails projected to climb out of the hole

Volume sales of alcohol stagnate

RTDs are an "also drink," but gaining firmer ground

Market Size and Forecast

FMB sales grow 20% from 2013-18

Figure 7: Total US volume sales and forecast of flavored malt beverages, 2013-23

Figure 8: Total US volume sales and forecast of flavored malt beverages, 2013-23

Prepared spirits-based cocktails projected to climb back out of the hole

Figure 9: Total US volume sales and forecast of prepared spirits-based cocktails, 2013-23

Figure 10: Total US volume sales and forecast of prepared spirits-based cocktails, 2013-23

Wine coolers continue their slide

Figure 11: Total US volume sales and forecast of wine coolers, 2013-23

Figure 12: Total US volume sales and forecast of wine coolers, 2013-23

Market Perspective

Volume sales of alcohol stagnate

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

RTD Alcoholic Beverages - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 13: US volume sales of beverage alcohol, by channel, 2013-17

Beer continues to lead alcohol consumption

Figure 14: Alcohol consumption, September 2018

Champagne/sparkling wine and spirits drinkers are most likely to drink RTD alcoholic beverages

Figure 15: RTD alcoholic beverage consumption, by alcohol consumption, September 2018

RTDs need a stronger identity

Figure 16: Alcohol consumption by occasion, correspondence analysis, September 2018

Figure 17: Alcohol consumption by occasion, correspondence analysis, September 2018

...score high for taste and refreshment, but trail behind alcohol in natural positioning

Figure 18: Attribute perception, flavored alcoholic beverages vs alcohol (excluding flavored alcoholic beverages), January 2017-October 2018

RTDs grow share of alcohol launches

RTDs can look to cocktail trends for flavor innovation

Figure 19: Leading cocktails on menu, Q3 2014-Q3 2018

Figure 20: Fastest growing cocktails on menu, Q3 2014-Q3 2018

Legalization of recreational cannabis can challenge alcohol

Figure 21: Cannabis statements – Alcohol, June 2018

Market Factors

Strong consumer confidence benefits discretionary categories

Figure 22: Consumer sentiment index, January 2007-September 2018

An aging population will impact alcohol categories

Figure 23: Population by age, 2013-23

RTDs brands should consider meeting consumers at home

Key Players – What You Need to Know

Seltzers drive strong MULO growth in 2018

Prepared cocktails and wine coolers carry the most health-related claims

Sea change in RTD packaging seen from 2014-18

All segments could use flavor innovation

Company and Brand Sales of RTD Alcoholic Beverages

Seltzers drive strong MULO growth in 2018

White Claw takes the top spot

Truly takes aim at other alcohol competitors

SpikedSeltzer benefits from A-B InBev reach

Alcoholic seltzers keep popping up

Tequila-based prepared cocktails are also strong movers

Figure 24: Multi-outlet sales of premixed cocktails/coolers, by leading companies and brands, rolling 52 weeks 2017 and 2018

What's Working?

Health-related claims, positioning breathing life into the category

Figure 25: Share of RTD alcohol beverage launches, by leading claims, 2014-18*

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

RTD Alcoholic Beverages - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Sea change in RTD packaging seen from 2014-18

Figure 26: Share of RTD alcohol beverage launches, by leading pack types, 2014-18*

What's Struggling?

FMB launches outpaced by other segments

Figure 27: Share of RTD alcohol beverage launches, by segment, 2014-18*

Hard soda bubble bursts

All segments could use flavor innovation

Figure 28: Share of RTD alcohol beverage launches, by leading flavors, 2014-18*

Figure 29: Cooler flavors consumed, 2014-18*

What's Next?

Time for craft

Options for the health-conscious consumer

RTDs for breakfast

The Consumer – What You Need to Know

FMBs lead RTD alcoholic beverage consumption

Convenience is a win for RTD alcoholic beverages

It's all about flavor

Consumers want versatility

Low sugar represents health

61% of consumers are interested in trying low alcohol options

RTD Alcoholic Beverage Consumption

FMBs lead RTD alcoholic beverage consumption

Figure 30: RTD alcoholic beverage consumption, September 2018

Women prefer premixed cocktails and wine coolers

Figure 31: RTD alcoholic beverage consumption, by gender, September 2018

Under 45s are the strongest targets for RTD alcoholic beverages

Figure 32: RTD alcoholic beverage consumption, by age, September 2018

Half of Hispanics drink RTDs

Figure 33: RTD alcoholic beverage consumption, by Hispanic origin, September 2018

Black consumers are more likely than average to drink RTDs

Figure 34: RTD alcoholic beverage consumption, by race, September 2018

Middle-income households are target for RTDs

Figure 35: RTD alcoholic beverage consumption, by HH income, September 2018

Reasons for Consuming RTD Alcoholic Beverages

Convenience is a win for RTD alcoholic beverages

Figure 36: Reasons for consuming RTD alcoholic beverages, September 2018

Engaged users are drawn to taste/flavor

Figure 37: Reasons for consuming RTD alcoholic beverages, by RTD consumption (Net*), September 2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

RTD Alcoholic Beverages - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Convenience is a particular draw among women

Figure 38: Reasons for consuming RTD alcoholic beverages, by gender, September 2018

RTD consumption among higher earning households may be more occasional

Figure 39: Reasons for consuming RTD alcoholic beverages, by HH income, September 2018

Convenience is a particular draw among older consumers

Figure 40: Reasons for consuming RTD alcoholic beverages, by age, September 2018

Not all RTDs are created equal

Prepared spirits-based cocktails excel for ease of preparation

Seltzer drinkers like a casual option that's on the healthier side

Alcohol tea delivers on taste

Figure 41: Reasons for consuming RTD alcoholic beverages, by RTD consumption, September 2018

Important Factors in RTD Alcoholic Beverage Choice

It's all about flavor

Figure 42: RTD alcoholic beverage purchase drivers, September 2018

Keep price in mind in appeal to younger consumers

Figure 43: RTD alcoholic beverage purchase drivers, by age, September 2018

Important factors vary slightly depending on RTD type consumed

Flavor is key for FMBs/alcoholic tea

Brand stands out among prepared cocktail drinkers

Pricing promotion can drive alcohol soda drinkers to purchase

Alcoholic seltzer drinkers have an above-average interest in natural ingredients

Figure 44: RTD alcoholic beverage purchase drivers, September 2018

Ideal RTD Alcoholic Beverage

Consumers want versatility

Figure 45: Ideal RTD alcoholic beverage, September 2018

Younger drinkers are more likely than older respondents to want healthy RTD options

Figure 46: Ideal RTD alcoholic beverage, by age, September 2018

Hispanics are most likely to be interested in options for home drinking

Figure 47: Ideal RTD alcoholic beverage, by Hispanic origin, September 2018

Lower earners seek versatility

Figure 48: RTD alcoholic beverage purchase drivers, by HH income, September 2018

Health-focused RTDs positioned for backyard gatherings would find wide appeal

Figure 49: TURF Analysis – Description of ideal RTD alcoholic beverages, September 2018

Figure 50: Table – TURF Analysis – Description of ideal RTD alcoholic beverages, September 2018

Half of wine cooler drinkers want products for outdoor events

Figure 51: RTD alcoholic beverage purchase drivers, by RTD consumption, September 2018

Alcoholic Beverage Health Innovation

Low sugar represents health

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

RTD Alcoholic Beverages - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 52: Alcoholic beverage health innovation, September 2018

Younger drinkers are more open to health positioning

Figure 53: Alcoholic beverage health innovation, by age, September 2018

Healthy RTD seekers can best be reached through nutritional information

Figure 54: Alcoholic beverage health innovation, by ideal RTD alcoholic beverage – Healthy, September 2018

Low sugar/calories, clean labels, function combine for maximum health draw

Figure 55: TURF Analysis – Alcoholic beverage health innovation, September 2018

Figure 56: Table - TURF Analysis – Health innovation, September 2018

Alcoholic Beverage Innovation of Interest

Natural ingredients and low sugar lead innovation of interest

Figure 57: Alcoholic beverage innovation of interest, September 2018

Growing adoption among women could come through innovation

Figure 58: Alcoholic beverage innovation of interest, by gender, September 2018

Older drinkers are less likely to be interested in innovation

Figure 59: Alcoholic beverage innovation of interest, by age, September 2018

RTDs can find the greatest appeal through innovation

Figure 60: Alcoholic beverage innovation of interest, by alcohol consumption, September 2018

Low-Alcohol Offerings

61% of consumers are interested in trying low-alcohol options

Figure 61: Interest in low-alcohol options, September 2018

Low-alcohol more closely tied to responsibility than health/enjoyment

Figure 62: Opinions toward low-alcohol options, September 2018

Women are better targets for low-alcohol options

Figure 63: Interest in low-alcohol options, by gender, September 2018

Men don't see value in low-alcohol options

Figure 64: Opinions toward low-alcohol options, by gender, September 2018

Young drinkers are most likely to be engaged with low-alcohol options

Figure 65: Interest in low-alcohol options, by age, September 2018

Young drinkers express interest in sessionability

Figure 66: Opinions toward low-alcohol options, by age, September 2018

RTD drinkers are most engaged with low-alcohol options

Figure 67: Interest in low-alcohol options, by alcohol consumption, September 2018

RTD drinkers have a generally higher opinion of low-alcohol versions

Figure 68: Opinions toward low-alcohol options, by alcohol consumption, September 2018

Appendix – Data Sources and Abbreviations

Data sources

Sales data

Forecast

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

RTD Alcoholic Beverages - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Consumer survey data

TURF methodology

Abbreviations and terms

Abbreviations

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com