

HARD SELTZERS, CANNED WINE, AND CANNED COCKTAILS

WHAT'S DRIVING THE READY-TO-DRINK BEVERAGE BOOM?





THE TRENDS

READY-TO-DRINK (RTD) BEVERAGES ARE BOOMING. WILL THEY TRANSFORM THE BEVERAGE INDUSTRY FOR GOOD?

RTD beverages enjoyed success in the 1990s and early 2000s, though products were often highly sweetened. They have seen a recent comeback, now lower in carbs and alcohol.

While alcohol consumption has dropped in the United States for the third-straight year in a row⁽¹⁾ the RTD beverage category has exploded:

+17%

increase in sales of prepared cocktails between October 2018 and October 2019.⁽²⁾

+73%

jump in sales of canned wine between October 2018 and October 2019.⁽²⁾

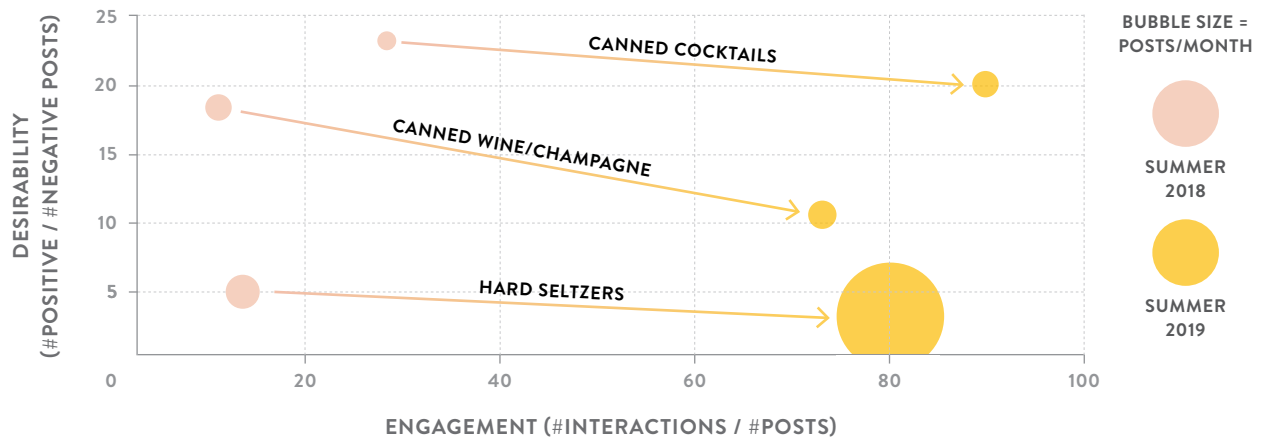
+200%

growth in hard and spiked seltzers, which had by far the greatest breakout in the category.⁽²⁾

(1) Source: IWSR Drinks Market Analysis (2) Source: CNN and Nielsen

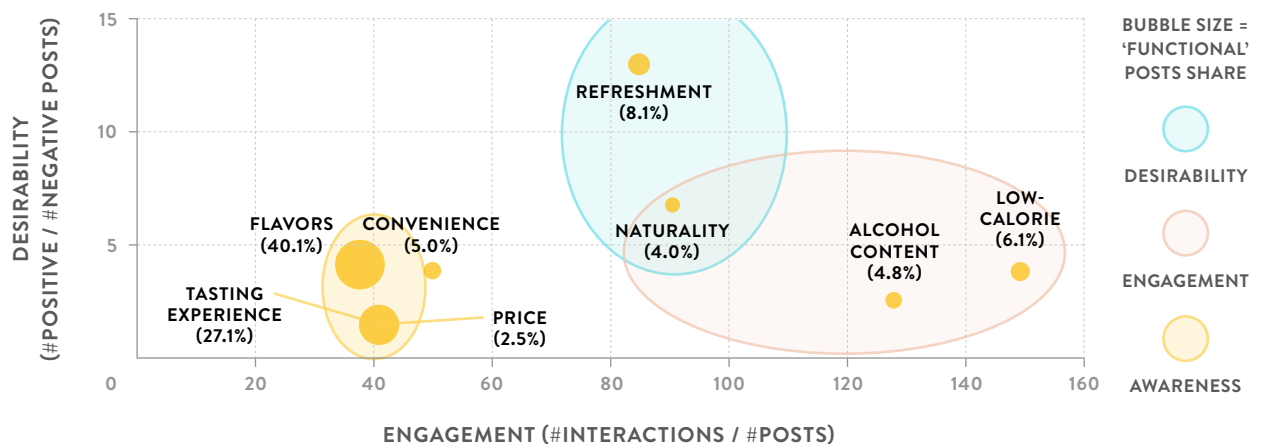
WHILE THE ENTIRE CATEGORY GREW, HARD SELTZERS DOMINATED, EARNING MORE ENGAGEMENT AND BRAND AFFINITY.

Over a year, posts increased by 670% and engagement surged by 333%, revealing more exposure and more interest than ever. Hard seltzers represented 80% of posts and usually mentioned brands, while brands were less mentioned when discussing canned wine or cocktails, revealing more brand loyalty for seltzers.



FUNCTIONAL BENEFITS STARTED MOMENTUM FOR DEMAND, WHILE EMOTIONAL BENEFITS APPEALED TO DIGITAL TRIBES AND ACCELERATED IT.

Functional attributes like low-calorie, low-ABV and convenience are key to the success of hard seltzers and the RTD category, but not all attributes generated the same type of media impact, nor do they have the same importance to every digital tribe (*see next page*).



THE TRIBES

FUNCTIONAL BENEFITS ARE IMPORTANT. BUT ISN'T THERE SOMETHING MORE DRIVING THE CATEGORY'S SUCCESS?

A look at the social media conversations of digital tribes talking about RTD beverages reveals more than functional drivers. Lifestyle associations like shared beliefs, attitudes and behaviors are a huge part of the category's success.

TOGETHERNESS

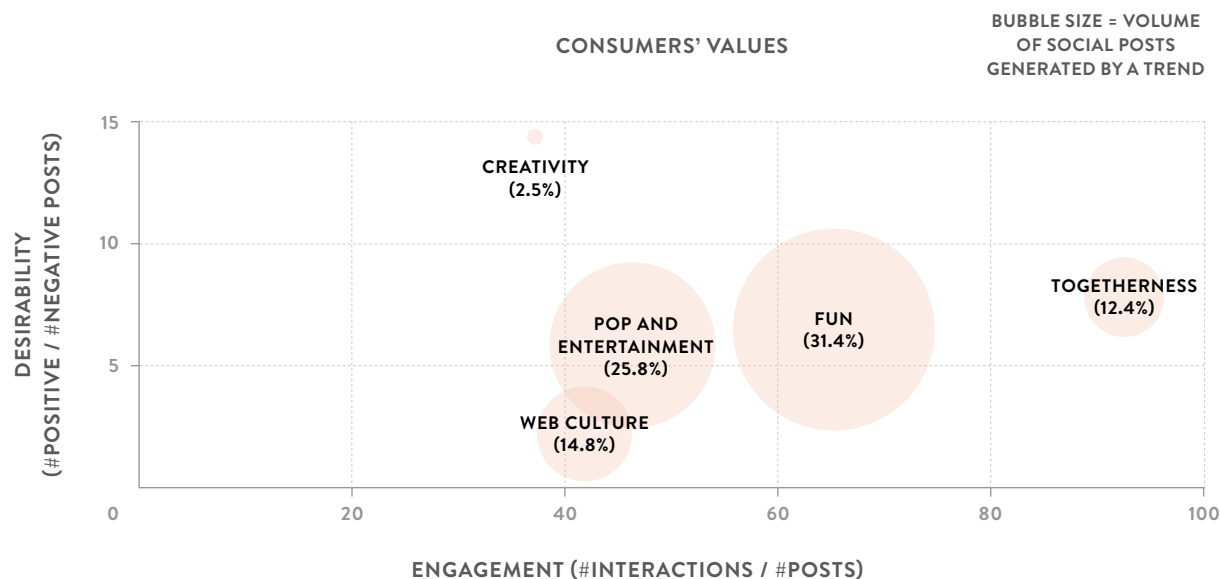
The flexibility of RTDs allowed people to integrate them into more occasions, resulting in more diverse social settings.

POP CULTURE

White Claw became a central focus in the RTD market after comedian Trevor Wallace released a video about the brand that went viral.

CREATIVITY

Consumers favor eye-catching and 'instagrammable' packaging, even attracting admiration from non-RTD drinkers.



WHAT ARE DIGITAL TRIBES?

HOW HAVE THEY EMBRACED RTD BEVERAGES?

Rather than traditional demographic segments, the fluidity of social media allows consumers to form online tribes around values, attitudes, beliefs, interests and other psychographic attributes and to associate products and brands with these traits. A number of these digital tribes have adopted RTDs as part of their identity and accelerated the trend's growth.



THE #NOLAWS MID-TWENTIES PARTYERS

The young millennials always ready to party and have fun with the beverage of their time: refreshing, low in calories but tasty and digital friendly.

AGE

21-26 years old

FAVORITE DRINK

White claw (all flavors)

PARTY STYLE

All kinds of house parties, often followed by clubbing

INTERESTS

Sports, web, healthy/fast food



THE CLASSY INDULGERS

Older millennials enjoying laid back and sophisticated experiences. Attracted to convenience, creativity and diversity of options.

AGE

28-35 years old

FAVORITE DRINK

Canned wine and crackers

PARTY STYLE

Unexpected places (both indoor and outdoor)

INTERESTS

Cuisine, travel and luxury



To access this data and more,
get the full report at
linkfluence.com/RTDresearch

THE LESSONS

The basic success of RTD beverages lay in a category of products that meet changing functional needs, and the ability of RTD brands to adapt to changing needs will determine whether they are a short-term trend, or a growing category.

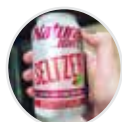
By tracking and adapting to these needs on social media, brands can accelerate their research and development, increase success of new product introductions, and communicate at the speed of changing consumer needs and lifestyles.

MAJOR FUNCTIONAL NEEDS EXPRESSED ON SOCIAL MEDIA IN 2019 INCLUDE:



CONVENIENCE

"Bubbly rose, in a can, that I can easily bring to the pool... my life is now complete. #themindfulgal"



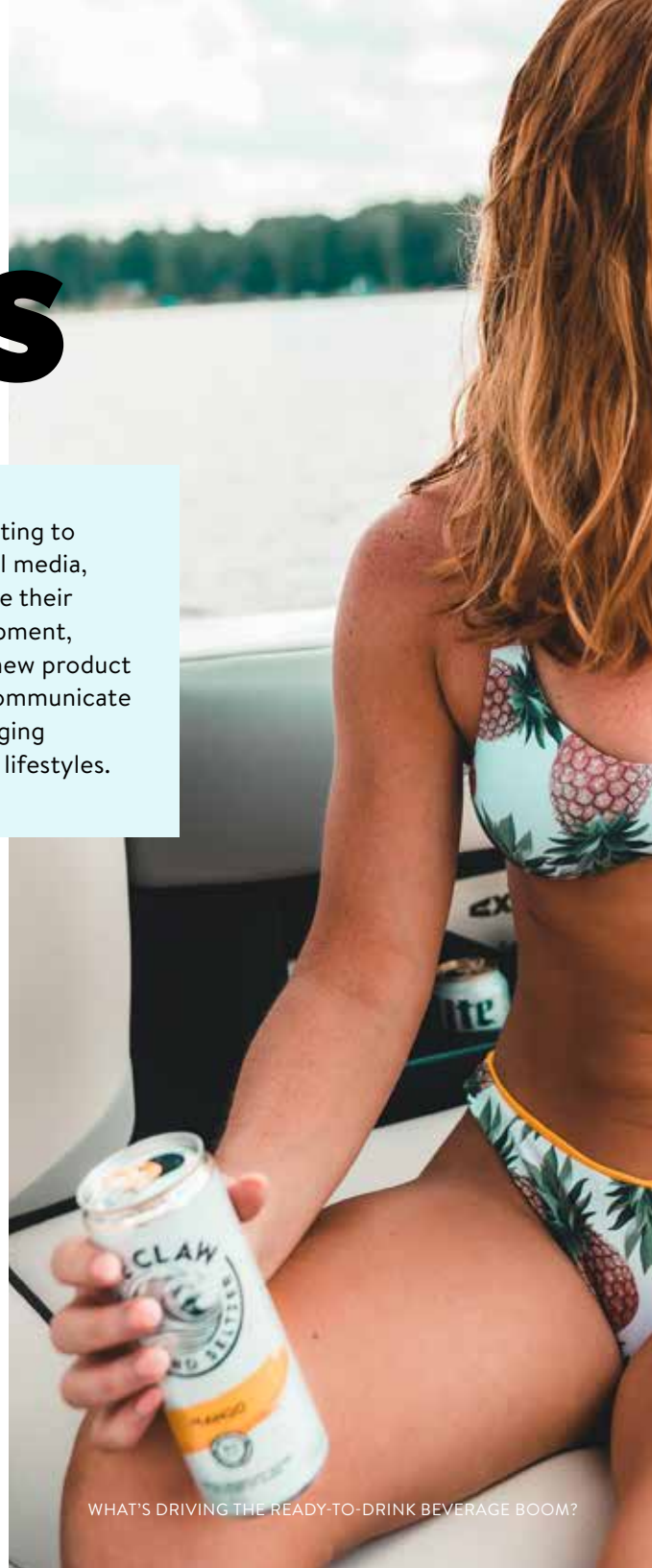
FRESH + NATURAL FLAVOR

"White claw who? These taste wayyy better and are way cheaper. The Claw is dead to me."



LOW CALORIE, LOW 'SIDE-EFFECT'

"Everything is better at the beach but a solid stash of @better.wine makes it even better! No headache that I would typically have and no hangover!"



WHAT'S DRIVING THE READY-TO-DRINK BEVERAGE BOOM?



But this success was also due to innovative lifestyle marketing, especially the ability to speak the language of digital tribes. What can we learn to apply to other beverage categories?

1 REINTERPRET OCCASIONS

The easy gathering aspect of RTDs is key, and brands have used it to redefine togetherness and convenience:

- TIP 1** Experiment with creating non-demographic, but more lifestyle centered occasions.
- TIP 2** Use a flexible definition of un-planned and home parting aligned with multiple occasions.
- TIP 3** Tap more into outdoor lifestyles and small group gatherings.

2 COMMUNICATE NATIVELY

Hard seltzers, especially White Claw, found success by re-iterating user generated content:

- TIP 1** Create stories inspired by user generated content and affirm brand values to avoid being a short-term trend.



To access this data and more, get the full report at linkfluence.com/RTDresearch



3 TAKE CREATIVE RISKS

By aligning packaging with digital creative and brand personality, brands maximized 'instagramability'.

- TIP 1** Adapt seasonal and anniversary pack design to both resonate with and inspire digital tribes.



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A LINKFLUENCE SOCIAL INTELLIGENCE MINI-REPORT

WANT THE FULL REPORT?

Request the full 60-page in-depth report produced by expert researchers in the adult beverages industry, with deep-dive analytics and insights, including:

1. Description of each conversation driver, and why each is important for affinity and relevance.
2. List of the top performing brands within these drivers, and how they're positioned.
3. Identification and details of the digital tribes shaping the trend, with needs descriptions of each.
4. Practical lessons and tips from the RTD boom for application to other categories.

