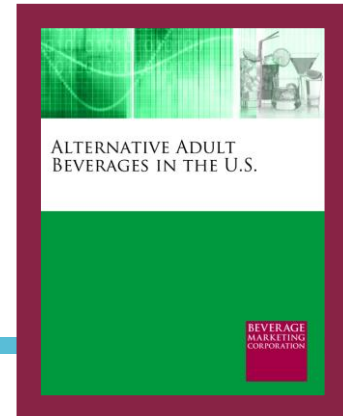


ALTERNATIVE ADULT BEVERAGES IN THE U.S.

2023 EDITION (Published February 2024. Data through 2022. Market projections through 2027.) More than 160 pages, with text analysis and tables



Market disruption continues. In *Alternative Adult Beverages in the U.S.*, Beverage Marketing Corporation examines the burgeoning adult beverage types expanding the adult beverage horizon beyond the standard beer, wine and distilled spirits categories. This market report includes data as well as discussion of innovation and the consumer need states and attitudes driving it. The impact of the coronavirus pandemic on these emerging sectors is also discussed as is the emergence of a private label market as the segments reach scale. This report is a must have for adult beverage companies as well as non-alcohol beverage companies interested in taking advantage of the changing industry paradigm in which convergence of alc and non-alc sectors offers opportunities to partner in product development as well as for distribution synergies.

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HAVE QUESTIONS?

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- This research report profiles fast-growing emerging segments and the brands comprising them, documenting their performance (providing volume, growth and market share data) and indicating what makes them noteworthy.
- Emerging adult beverage sectors covered include: hard seltzers and other flavored malt beverages (FMBs), hard ciders, distilled spirits related alternative adult beverages (AABs), ready-to-drink cocktails, hard kombucha, RTD mocktails, wine related AABs including no-alc wines, CBD and THC infused beverages, emerging AABs such as hard tea, hard coffee, on-premise craft mocktails, healthy cocktails and much more.
- The report discusses a broad range of entrepreneurial brands in various emerging sectors and sub-sectors and quantifies key sectors and brands.
- In addition, it examines which segments represent the possible formation of something rather different (like alcohol-free distilled spirits) and which amount to efforts to give new life to an already established niche adult drink (like a number of newer takes on FMBs). It also covers cannabis beverages.
- This report will be useful to beverage marketers, suppliers to the industry, financial executives, entrepreneurs, producers in various segments of the multiple beverage marketplace and others with a special interest in innovative beverage alcohol companies.

THE ANSWERS YOU NEED

This report offers insights on trends such as the move, especially among younger adult consumers, toward no- and low-alcohol alternatives to conventional cocktails. It also explores developments like the emergence of new-style categories like hard kombucha and hard seltzer. Questions answered include:

- What are the top hard seltzer brands?
- What are the leading spirits-based RTD cocktail brands?
- What gave rise to the hard kombucha segment, and what are its growth prospects?
- What are issues with positioning certain adult drinks as "healthy"?

THIS REPORT FEATURES

Alternative Adult Beverages in the U.S. features analysis of trends behind emerging and niche beer, wine and spirits segments as well as segments that do not fit easily into those categories. It profiles key brands and companies. It assesses the prospects as well as some challenges and implications for each.

- Volume data, growth and market share for the various segments and the brands that comprise them are included to help marketers wrap their arms around the opportunity. Brands covered include: AriZona Sun Rise Hard Seltzer, BON V!V, Bud Light Seltzer, Clear Coast Fresh Hard Seltzer, Corona, Henry's Hard Sparkling Water, White Claw, Truly Hard Seltzer, Natural Light Seltzer, Smirnoff Spiked, Wild Basin Seltzer, Vizzy, Cutwater Spirits Canned Cocktails, Mike's Hard, HARD MTN DEW, High Noon Sun Sips, Jim Beam Kentucky Coolers, Jose Cuervo RTD cocktails, Sparkling ICE Spiked, Topo Chico and more.



ALTERNATIVE ADULT BEVERAGES IN THE U.S.

BEVERAGE
MARKETING
CORPORATION

Alternative Adult Beverages in the U.S.

February 2024



RESEARCH • DATA • CONSULTING

NOTE: The information contained in this report is confidential and solely intended for the benefit of the immediate recipient hereof.

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Many U.S. consumers, especially the younger ones routinely dubbed millennials, appear to crave alternatives to conventional forms of beverage alcohol. Rather than the standard variations of beer, distilled spirits and wine, they seek something different. Several beverage types emerged that together constitute what can be designated alternative adult beverages (AABs), which consists of four primary sub-segments (as well as various smaller ones).

- While AABs are positioned as distinct from the three traditional categories, three of the four main components are, in fact, closely related to them, even if consumers regard them as distinct. Thus, there are beer-, spirits- and wine-related AABs.
- Beer-related AABs include hard seltzer and other flavored malt beverages (FMBs) as well as hard ciders and flavored beers. While FMBs like Mike's Hard Lemonade and Smirnoff Ice have been around for years, the hard seltzer variant renewed consumer excitement for FMBs. While hard seltzers were concocted early in the century, the sub-segment really caught fire around 2017 or so, and a flurry of brands raced to market subsequently. Most of the products in the beer-related AAB realm have alcohol levels comparable to standard beer. Most are also characterized by fruit flavoring, though seltzers are generally more lightly flavored than hard lemonades or other, older-style FMBs (and typically have fewer calories as well).
- Spirits-related AABs primarily consist of ready-to-drink (RTD) prepared cocktails, often packaged in aluminum cans or other single-serve packages. Outside the United States, especially in Europe, no- or low-alcohol distilled spirits carved out a niche, and some such products have also started showing up stateside. Related to this segment are "mocktails" containing no alcohol but prepared to resemble familiar cocktails in flavor and appearance. These include both RTD formulations as well as those made on-premise (which, of course, are essentially unmeasurable).
- Wine-related AABs range from RTD wine-based cocktails to wine coolers. Wine in cans also emerged as a more accessible, casual style of wine than that in cork-sealed glass bottles. Canned wines are thus seen by many as crucially different than the usual type.
- The AAB segment unrelated to those clearly connected to the three established beverage alcohol categories are cannabis beverages, which have two main components: tetrahydrocannabinol (THC), the chemical compound in marijuana that is responsible for its intoxicating effects, and cannabidiol (CBD), one of the more than 100 cannabinoids (diverse chemical compounds that act on cannabinoid receptors) found in the cannabis plant but which (unlike THC) is non-psychoactive. (While both THC and CBD beverages have potential to grow wildly as perceptions of marijuana and laws related to it and compounds derived from it change, many complicating factors affect its status and will determine its future, and these issues are discussed in detail in the chapter devoted to the category.)

**U.S. ALTERNATIVE ADULT BEVERAGE MARKET
CHANGE IN VOLUME BY SUB-SEGMENT (r)
2018 – 2023(p)**

Segment							CAGR
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23(p)	2018/23(p)
Beer-related	100%	100%	100%	100%	100%	100%	100%
Hard Seltzers	100%	100%	100%	100%	100%	100%	100%
All Other FMBs	100%	100%	100%	100%	100%	100%	100%
Flavored Beers	100%	100%	100%	100%	100%	100%	100%
Hard Cider	100%	100%	100%	100%	100%	100%	100%
Wine-related	100%	100%	100%	100%	100%	100%	100%
Wine Cocktails	100%	100%	100%	100%	100%	100%	100%
Wine Coolers	100%	100%	100%	100%	100%	100%	100%
Spirits-related	100%	100%	100%	100%	100%	100%	100%
RTD Cocktails	100%	100%	100%	100%	100%	100%	100%
Cannabis	100%	100%	100%	100%	100%	100%	100%
CBD	100%	100%	100%	100%	100%	100%	100%
THC	100%	100%	100%	100%	100%	100%	100%
Subtotal	100%	100%	100%	100%	100%	100%	100%
All Others*	100%	100%	100%	100%	100%	100%	100%
TOTAL	100%	100%	100%	100%	100%	100%	100%

(r) Revised; CAGR: Compound annual growth rate

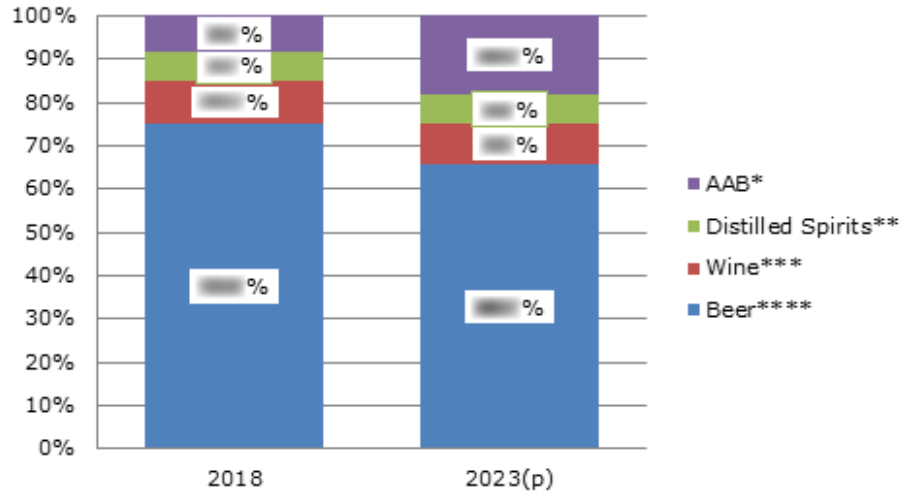
(p) Preliminary

* Includes hard kombucha and hard coffee.

Source: Beverage Marketing Corporation

AABs to MORE THAN DOUBLE SHARE OF ADULT BEVERAGE VOLUME

Share of Volume by Segment, 2018 - 2023(p)



(p) Preliminary

* Adult alternative beverages (AABs) include low- and zero proof spirits, ready-to-drink (RTD) and frozen cocktails, canned wine and wine-based cocktails, wine coolers, flavored malt beverages, hard cider, hard kombucha, hard coffee and cannabis-based drinks.

** Excludes low- and zero-proof spirits as well as RTD and frozen cocktails.

*** Excludes canned wine, canned wine-based cocktails and wine coolers.

**** Excludes flavored malt beverages and hard cider.

Source: Beverage Marketing Corporation