

BENORI

Ready-to-Drink cocktail market in India

August 2022



Introduction

Globally there has been a dynamic shift in consumer behavior with new consumer tribes and developing trends, differentiated products and experiences are becoming increasingly important. The **RTD (Ready-to-Drink) market in India** is rapidly expanding due to millennials' increased interest in pre-mixed cocktails and mocktails. Following the pandemic, the popularity of RTD cocktail expanded as more individuals experimented with at-home cocktails when they could not go to bars or restaurants.⁽¹⁾ The RTD cocktail trend has been growing in regions like Europe and the United States, especially during the pandemic. A similar trend is being observed in India.⁽²⁾

RTD trend has expanded the possibilities for how alcoholic beverages are typically packaged. Cans and boxes are becoming increasingly popular as containers for RTD beverages.⁽³⁾ The popularity of RTDs demonstrates a need for low-alcohol beverages as they have a two-pronged marketing strategy: youthful drinkers between the ages of 23 to 35⁽⁴⁾ who are willing to try new things.⁽⁵⁾

RTD market is a growing segment in the global alcoholic beverage industry. The global RTD cocktail market is projected to grow at a CAGR of 15.1% from 2022 to 2028. India is also keeping up with the RTD cocktail market and is expected to grow at a CAGR of 10.3% between 2021 and 2026

Executive Summary

WHO are the consumers?



RTD cocktails are consumed by **78% of alcoholic consumers**. The remaining 22% of non-RTD cocktail drinkers have high awareness of RTD drinks (82%) and are willing to try them in the future (91%)



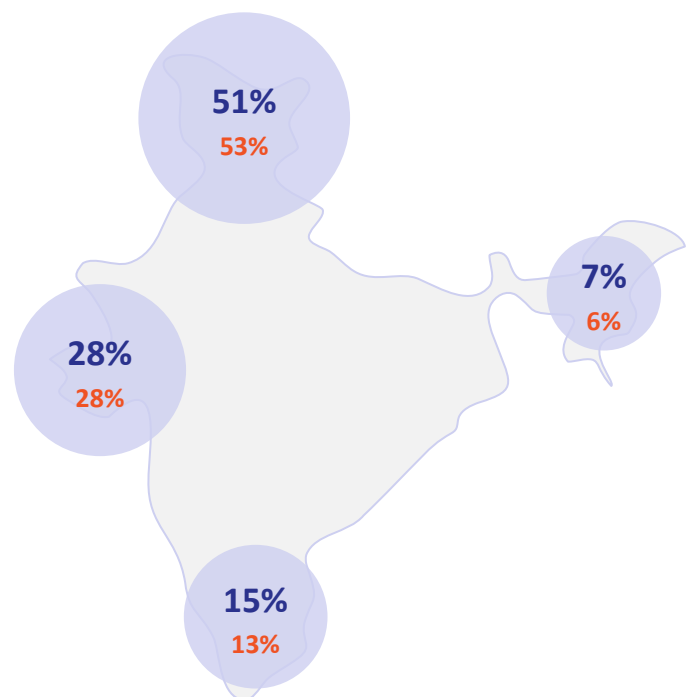
Among 78% RTD cocktail consumers, **79% are men and 21% are female**



87% of the RTD cocktail consumers are **Millennials (26-40 years)** due to its low alcoholic content to enjoy in the social gatherings



RTD Tier I residents (61%) compared to **39% Tier II residents**



Alcoholic Consumers (N=1000)

RTD Cocktail Consumers (N=778)

WHAT are the preferences?

Rum-based beverages occupy the largest RTD market in terms of consumption, followed by **vodka-based** and **gin-based beverages**

Awareness of RTD cocktails comes primarily from **friends / family (66%)**. Social media has also helped raise awareness of RTD cocktails (19%). The remaining 15% of awareness comes from e-commerce websites and offline stores

WHY alcoholic consumers are shifting toward RTD cocktails?

RTD cocktail market is becoming increasingly popular in India and other emerging countries. As RTD cocktail companies develop new products with unique and exciting flavors making them readily available, consumers have more choices

Brands are the most important purchase factor, regardless of price, and consumers prefer **taste** to alcohol content

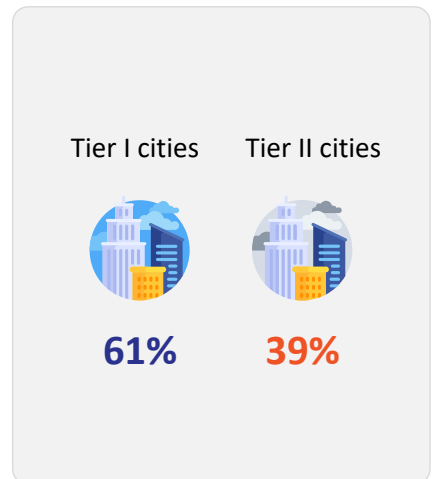
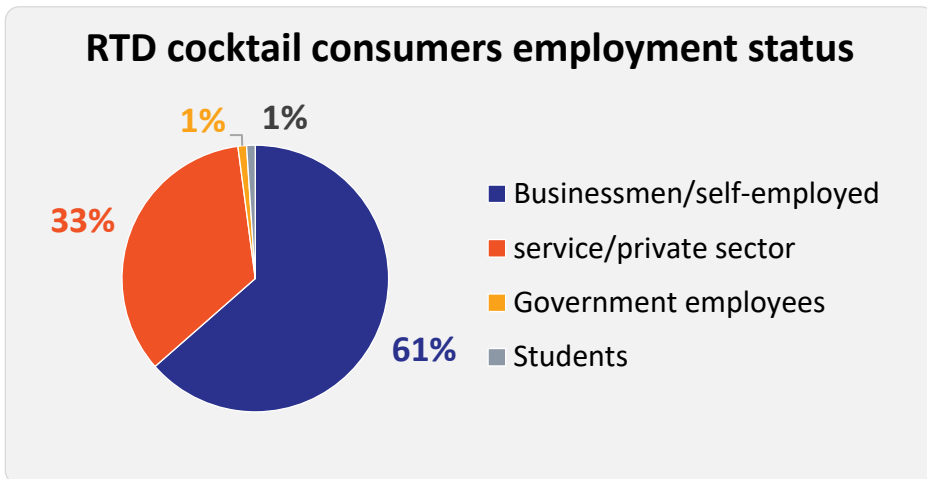
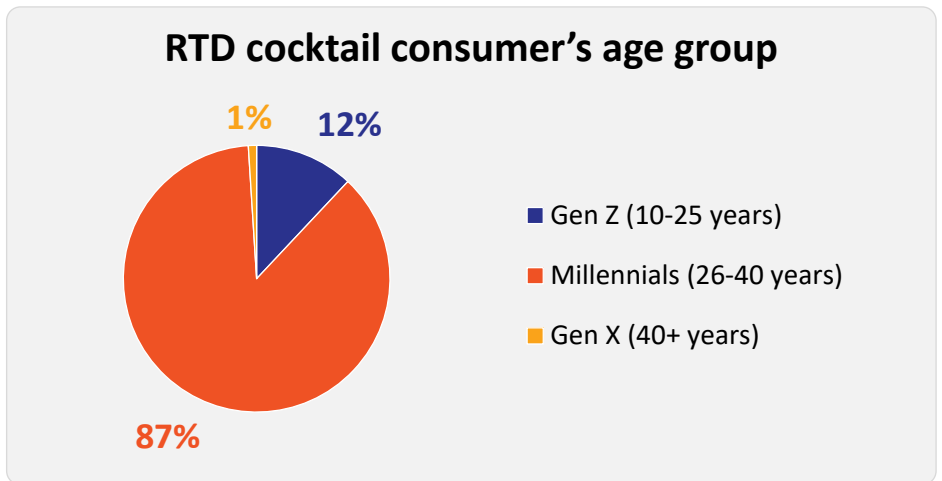
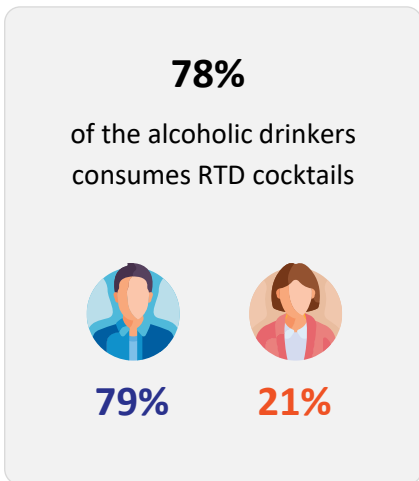
Pandemic served as a major growth driver for RTD cocktails in India



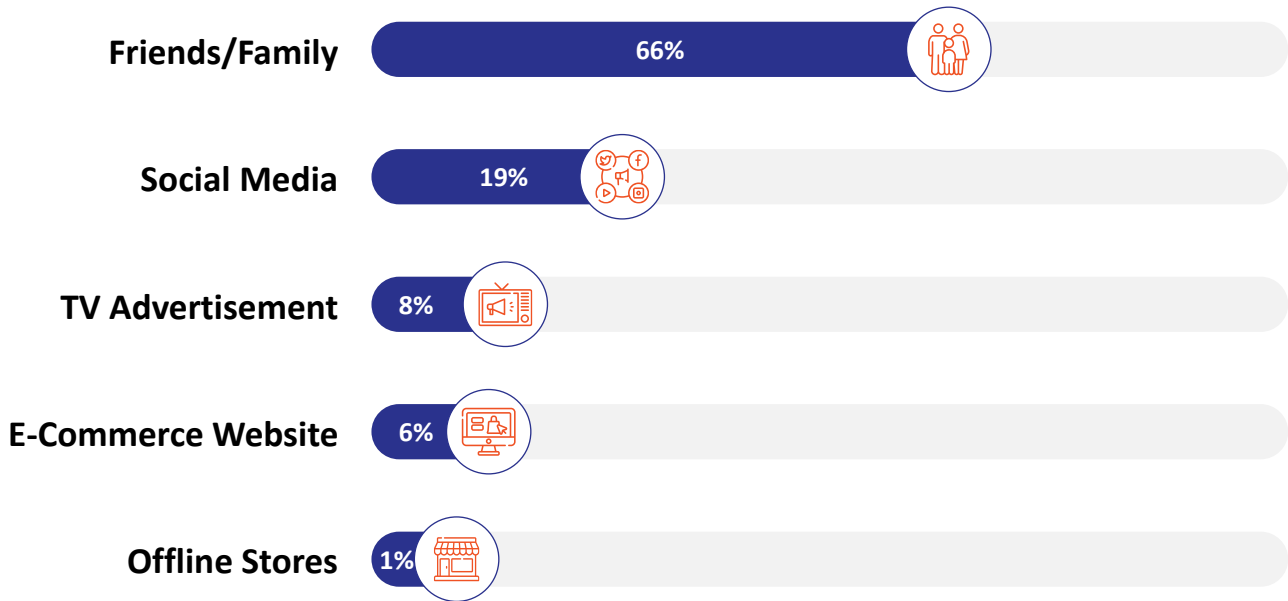
Consumer Behavior

Many people choose a convenient drinking experience over traditional drink. Millennials and Gen Z are looking for drinks to enjoy and socialize rather than just to feel in high spirits. The latest RTD cocktails contain 5-8% alcohol and are ideal for home social gatherings and house parties. Indian consumers are ready to experiment and go beyond traditional alcoholic beverages where the RTD cocktail market is ready to offer innovations, new products, and flavors.

An online survey of alcoholic beverage consumers (**70% male and 30% female**) was conducted to understand the growing RTD cocktail market in India and current perception, awareness, consumption, and the RTD preferences

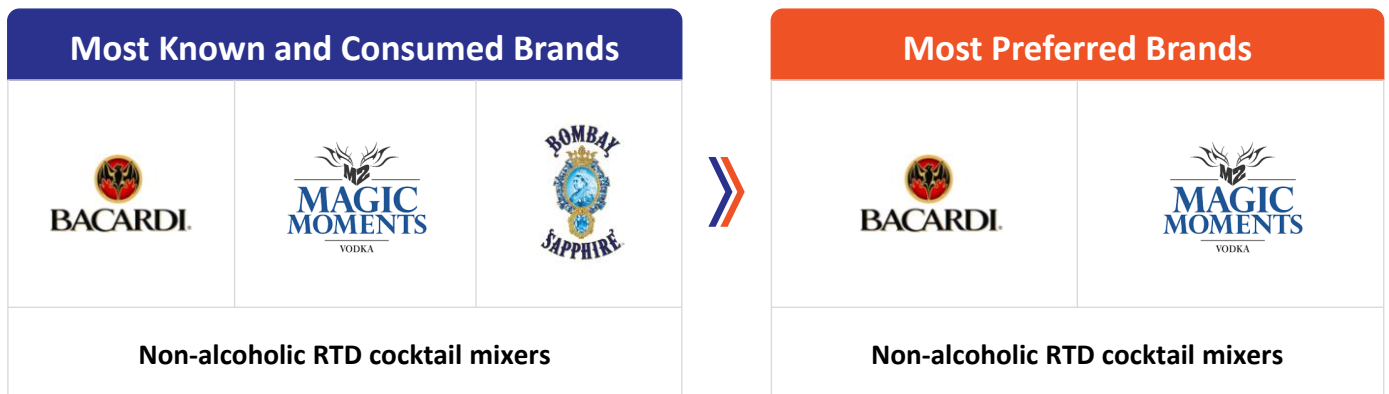


RTD Cocktail Consumers Awareness



Amongst the rest **22%** respondents who are not consuming RTD cocktails, **82% are aware** about it. 42% awareness is through friends/family and 38% is through social media. Out of those who are aware about RTD cocktails, **91% are willing to try in future** while only 9% would still not try due to lack of ease of availability and reluctance to switch to different taste

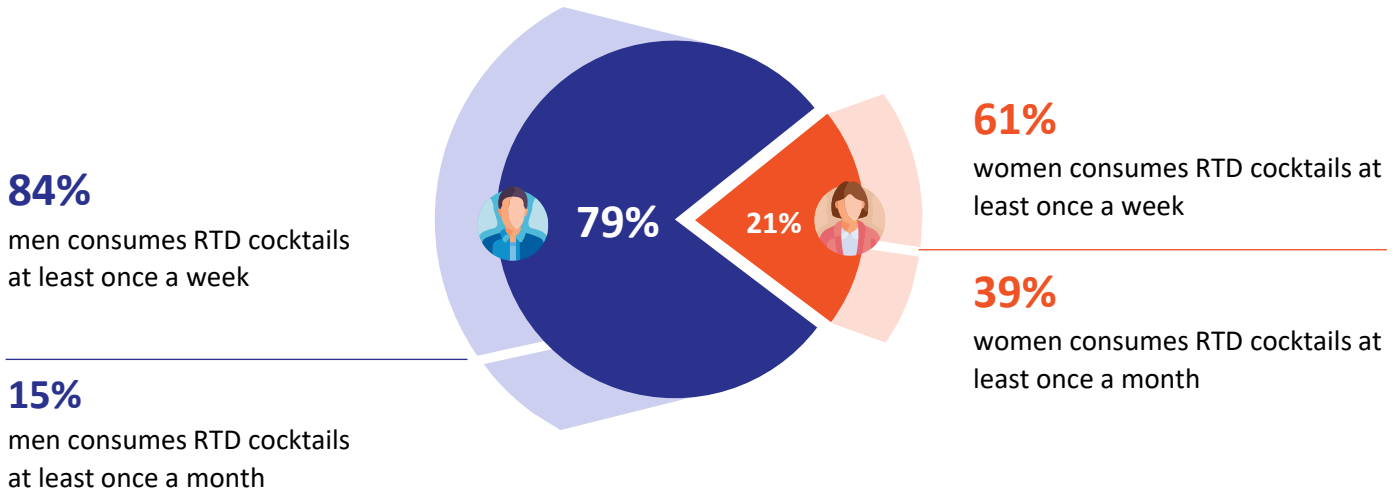
RTD Cocktail Consumers Awareness



Popular RTD cocktail brands among non-RTD consumers who are aware about RTD cocktails are **Non-alcoholic RTD cocktail mixers, Magic Moments Electra, Bacardi, and Jack & Cola Pre-mix.**

Consumption Frequency

The majority of young people consume RTD cocktails **at least once a week**.



RTD Cocktail Purchasing Factors

Ease of drinking from the pack/cans make RTD cocktails a popular choice amongst the youth. Brands and start-ups are bringing variations of RTD cocktails to the Indian market. RTD cocktails also have a lower alcohol content than other drinks, making them ideal for daytime drinks.

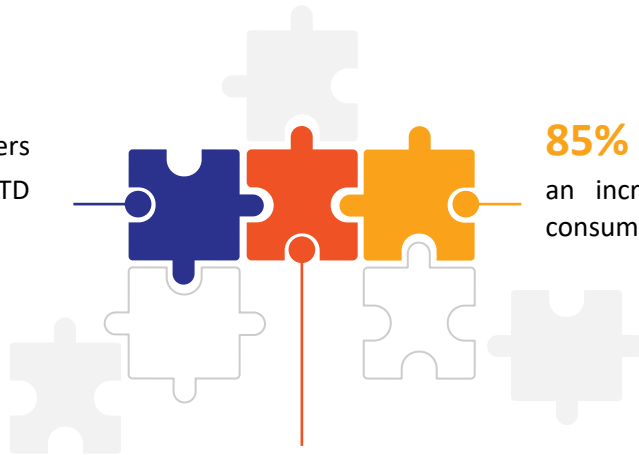
Through the survey, we have identified some of the crucial purchasing factors that consumers consider for RTD cocktails:



- ★★★★
★
Brand is the most important factor while purchasing
- ★★★★☆
😊
Taste is the second major factor considered while choosing RTD cocktails
- ★★★☆☆
🍷
Alcohol content of 5% or less is preferred
- ★☆☆☆☆
💰
Price is not considered among important factors while purchasing RTD cocktails

Impact of COVID-19 on RTD Cocktail Consumption

90% of RTD cocktail consumers were already consuming RTD cocktails pre COVID-19



85% of RTD consumers mentioned an increase in their RTD cocktail consumption during COVID-19

COVID-19 encouraged consumers to try RTD cocktails at home and experiment with different formats. There is no significant increase in new consumers, but overall consumption after the pandemic has increased



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