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U.S. ready-to-drink alcohol volumes fell 1% in 2025, IWSR found

Spirit-based cocktails rose 17%; hard teas gained 5%; hard seltzer dropped 8%, underscoring a shift toward premium products

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Premium ready-to-drink cocktails and hard teas are set to drive the next phase of growth in the U.S. RTD market, even as the broader category levels off after years of rapid expansion, according to new IWSR research released Friday, November 13.

IWSR's RTDs Strategic Study 2026 USA found that total RTD volumes in the United States fell 1% in 2025. The decline points to a market that is stabilizing after the post-pandemic boom, rather than continuing the broad-based growth that lifted many brands earlier in the decade. Within that flatter market, the research suggests growth is shifting away from older volume leaders and toward higher-value products, especially premium cocktails made with spirits.

The clearest sign of that change came from the largest established segments. Hard seltzer, still the leading RTD category by volume, dropped 8% in 2025, and IWSR forecasts a compound annual growth rate of -7% through 2030. Flavored alcoholic beverages, a segment that includes alcopops and coolers, fell 4% in 2025 and are projected to post a CAGR of -3% through 2030.

By contrast, RTD cocktails posted strong gains. IWSR said cocktail volumes rose 17% in 2025, while hard teas grew 5%. The broader RTD cocktail and long drinks segment is expected to sustain that momentum, with a projected CAGR of 9% through 2030. For

drinks companies, that shift may shape where investment goes in coming years, especially for spirit-based cocktail portfolios aimed at U.S. consumers who appear increasingly selective about what they buy but still willing to pay more for products they see as worth it.

Susie Goldspink, IWSR's head of RTD insights, said the market is approaching a point where cocktail, hard seltzer and flavored alcoholic beverage volumes will be much closer by 2030. In her view, that means producers should focus on the parts of the category that are building momentum rather than trying to protect legacy share in slowing segments. She said the research shows consumers are prepared to spend more on premium products they already like.

IWSR highlighted whiskey-based RTDs as one example of how that shift can play out inside a weaker segment. Overall whiskey RTD volumes fell 11% in 2025, the study said. But Whisky Sour RTD cocktails grew by more than 1,500% and came to represent 66% of whiskey RTD volumes. Goldspink said that pattern points to real demand for premium cocktails even when the broader base of legacy products is contracting. She said whiskey RTDs as a whole are forecast to post a CAGR of 1%, which would leave the segment essentially flat, but that headline masks stronger growth in premium cocktail formats.

The study also pointed to the on-premise channel as a major source of future expansion. Spirits-based RTDs increased their share of on-trade sales from 6% in 2020 to 16% in 2026, according to IWSR, and the channel is expected to deliver a 12% CAGR through 2030. Off-trade sales are forecast to grow more slowly, at 5% over the same period. IWSR said 47% of consumers surveyed reported buying RTDs in bars, restaurants or similar venues in 2026, up from 37% in 2023.

Goldspink said the on-premise is growing twice as fast as the off-premise for spirit-based RTDs and offers the fastest route to premium positioning. She said the channel helps establish the price reference that can follow a product into retail. The on-premise may also be especially useful for brands built on spirits other than vodka. According to IWSR, whiskey- and gin-based RTDs perform relatively better there, making bars and restaurants a promising place to build demand before pushing harder into stores.

Another area IWSR singled out was sports drink-inspired RTDs, which it classifies within flavored alcoholic beverages. The study described that niche as an emerging growth strand supported in part by stronger visibility on social media. Goldspink said new entrants are responding to consumer demand for products that combine “fun and function” within the better-for-you space. She pointed to a wave of vodka-based RTDs using sports drink cues such as electrolytes, “ade” flavors, lower sugar and non-carbonated formats aimed at daytime and casual drinking occasions.

That theme is already showing up in deal activity. In October 2026, Constellation Brands paid $75 million to acquire SpikedAde, a vodka-based RTD brand built around sports drink-style positioning. The purchase suggests large beverage companies are looking beyond the maturing hard seltzer market and toward subsegments that may still have room to grow as consumer preferences keep shifting across spirits, beer-adjacent drinks and other convenience-led categories.