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Ready-to-drink beverage market shifts focus to premium spirits and targeted innovation as growth continues

Fewer new launches and changing consumer tastes drive premiumization, value options, and evolving flavor trends in global RTD sector

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Ready-to-drink (RTD) beverages are continuing to shape the global beverage alcohol market, but the way companies approach innovation in this category is changing as the sector matures. According to preliminary 2024 data from IWSR, a leading provider of beverage alcohol insights, RTD volumes grew by 2% this year, with consumption rising in 16 of the top 20 global markets. This growth comes at a time when many beverage alcohol categories face challenging trading conditions, making RTDs a key area of opportunity for both established and emerging brands.

In recent years, the RTD category has been known for its rapid pace of new product launches and flavor experimentation. However, the number of new RTD products entering the market has slowed since peaking in 2021. That year saw more than 3,400 new RTD products launched in the top 10 global markets. By 2024, that number had dropped to just over 1,800. Despite fewer launches, overall category volumes have remained steady, suggesting that innovation is becoming more targeted and efficient rather than relying on constant novelty.

One significant shift is the decline of hard seltzers as a dominant force in RTD innovation. In 2021, hard seltzers made up one-third of all new RTD launches. By 2024, their share had fallen to one in nine. Flavored alcoholic beverages (FABs) have benefited from this change, increasing their share of new launches from 16% in 2021 to 28% in 2024. The cocktail and long drinks segment has also grown its leadership position, now accounting for 42% of new launches compared to 38% three years ago.

No-alcohol RTDs are another area seeing growth. These products made up 6% of new launches in 2024, double their share from three years ago. Wine spritzers and coolers have also expanded their presence, now representing 7% of new launches.

A notable trend is the move from malt-based to spirit-based RTDs. In 2021, malt-based products accounted for 34% of new launches in major markets; by 2024, that figure had dropped to 18%. At the same time, spirit-based RTDs increased their share from 55% to 67%. This shift is also visible within hard seltzers: while three-quarters were malt-based in 2021, only about half are today. Spirit-based hard seltzers now make up a much larger portion of innovations.

Industry experts say this transition reflects consumer interest in premiumization and quality. As drinkers become more aware of what goes into their beverages, spirit-based options are seen as higher quality and more desirable. This has led to a wave of premiumization within the category.

However, after several years of growth at the premium end of the market, there are signs that brands are responding to economic pressures by introducing more value-oriented products. In 2021, premium or above products made up 58% of new RTD launches; this rose to 61% in 2023 before falling back to 53% last year. Meanwhile, value-tier products rebounded from just 7% of launches in 2023 to 15% in 2024.

Some markets remain focused on higher-priced innovations. In Germany, for example, premium-plus products accounted for an overwhelming majority—90%—of new RTD launches this year. The UK followed with a strong showing at 74%.

Another area where innovation is evolving is alcohol content. While moderation remains a trend among some consumers, there is growing interest in higher-ABV (alcohol by volume) offerings within RTDs. In the top ten markets, the share of new launches with an ABV between three and five percent fell from 51% in 2021 to 41% in 2024. Meanwhile, those with ABV above five percent increased from 18% to 22%, and those above seven percent rose from 25% to nearly one-third of all new launches. This trend is especially pronounced in the US and UK: over half of US launches now exceed five percent ABV.

Flavor innovation remains central to RTD development but is showing signs of consolidation around familiar tastes. Lemon continues to be the most common flavor globally, accounting for over eight percent of new product launches across major markets this year—a slight increase since 2021. Lemon or lemonade flavors were particularly popular in China, Germany, Japan, Brazil, Canada and Australia during this period.

Regional preferences still play a role: passion fruit was the top flavor for new UK products last year; coffee and mango tied for first place in Mexico; and pineapple overtook lime as the leading flavor for US product launches in 2024. Pineapple’s popularity also extended to South Africa.

As brewers look beyond beer and wine and spirits companies expand into RTDs, these trends suggest that future growth will depend less on sheer volume of new releases and more on strategic innovation—whether through premiumization, base spirit selection or targeted flavor development—to meet evolving consumer preferences around the world.