



How Is The RTD Landscape Shifting?

by The IWSR Drinks Market Analysis, www.theiwsr.com

IWSR analysis highlights the key factors shaping the outlook of the RTD category.

RTDs are a fast-paced and diverse sector of the beverage alcohol market, wielding growing influence on the shape of the overall industry landscape. They are increasingly taking share from beer and wine, offering consumers a way to discover new brands and enjoy a wider variety of consumption occasions.

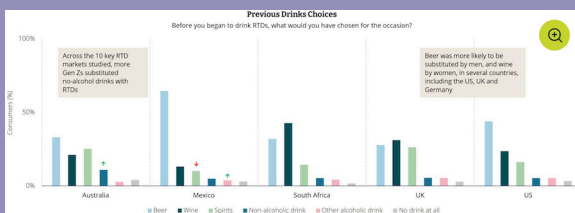
The current outlook for the category is being shaped by a number of factors:

- The macro-economic climate, which is impacting consumer spending levels across beverage alcohol.
- RTD product fatigue in some key markets, which is affecting consumer purchasing decisions.
- Slowing innovation rates, which are impacting how producers need to approach NPD strategies.

In light of these developments, here are five key questions that beverage alcohol stakeholders should be asking themselves as they plan their business strategy.

1) How is the macro-economic climate impacting the influence of RTDs on the wider beverage alcohol landscape?

Across 10 key RTD markets last year, 45% of alcohol buyers purchased RTDs; spirits were most often drunk in the same occasion as RTDs; and beer was the most replaced drink. Now, as high inflation and cost-of-living continues to impact spending levels across beverage alcohol, RTDs are also serving as a crucial entry point for consumers who want to enjoy premium spirits at a fraction of the bottle price. Beverage alcohol producers should examine from where RTDs are stealing share in local markets and if this can be leveraged to recruit new consumers or protect share.



2) To what extent are Ready-to-Serve products still relevant?

Ready-to-Serve (RTS) products came to market in response to the rise of the at-home cocktail occasion, but product releases have tailed off after a post-pandemic peak. As we see shifts in consumption occasions and the macroeconomic landscape in many markets, what's the outlook for the segment now, and what types of NPD are driving growth? RTS products have so far been most relevant to the U.S. market — will other countries follow suit?

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Rise in Number of Diploma students as WSET Celebrates 55th Anniversary

WSET (Wine & Spirit Education Trust), the global leader in drinks education, has seen a 15% increase in candidates for its Level 4 Diploma in Wines course globally.



WSET
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A total of 134,000 candidates took a WSET qualification last year — its second highest number of annual candidates to date — with its Diploma course showing the biggest increase across its courses.

The total figure includes 1,962 candidates from 19 countries who took a Diploma exam during the last academic year. Top markets for the Diploma were the U.K., U.S., Hong Kong, Japan and Mainland China.

This comes as WSET celebrated its 55th anniversary with a special dinner at the Vintners' Hall in the City of London, hosted by the Vintners' Company.

WSET has other reasons to celebrate, following several strategic developments over the past year, which include:

- The launch of its new beer qualifications in January — WSET's first new drinks category in 10 years. It currently offers Level 1 and 2 Awards in Beer in 21 countries.
- In April, WSET launched a new Level 2 Award in Sake, which built on its Level 1 Award in Sake. The launch of this course completed WSET's suite of sake qualifications.
- Major changes to WSET's exam processing system, which have led to faster results for candidates for its Level 1 and 2 Awards.
- A successful year for WSET's Partnership program. It supported 17 projects to improve access to drinks education for around 500 people, from under-represented communities and those facing financial hardship in 11 countries, to drive a more inclusive and diverse drinks industry.

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