

THE LIQUID LANDSCAPE

CPG BEVERAGE INDUSTRY TRENDS & MARKETING STRATEGIES

Success in the fiercely competitive beverage industry demands a keen understanding of shifting consumer preferences, a willingness to embrace current trends and the ability to leverage data-driven insights. By focusing on agility, continuous innovation, and deep customer engagement, beverage brands can navigate the ever-changing landscape to thrive. Here are key trends transforming the beverage landscape and actionable marketing strategies to help your brand thrive in this dynamic environment.

CPG BEVERAGE MARKET OVERVIEW

US
\$359 B

Shifting consumption patterns driven by evolving health trends and lifestyle changes

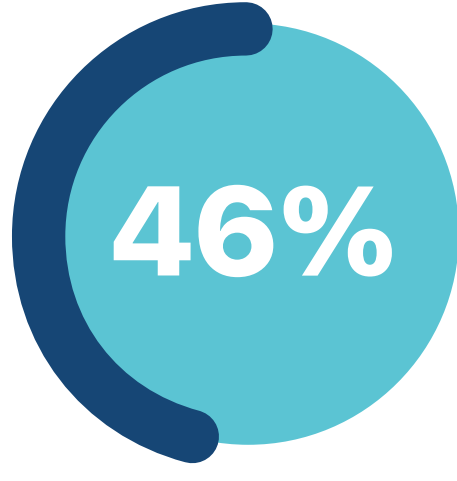
EUROPE
\$527.2 B

Unique characteristics, particularly in health trends and sustainability efforts

4 KEY TRENDS SHAPING THE BEVERAGE INDUSTRY

1. THE WELLNESS WAVE

High demand for drinks that boost energy, enhance immunity, and sharpen mental clarity



of people are focusing on physical and mental wellness

Instant Hydration
73% CAGR
from three years ago.

Powdered hydration
37%
growth over last year

Functional Beverages
\$190.2 BN
functional beverage industry projected by 2028.

Popular and trending ingredients: mushroom infusions and superfoods (magnesium, ginseng, ashwagandha)

Caffeine
113%
increase in online searches for "high caffeine"

Exploding demand for energy-boosting drinks with higher caffeine levels

Sugar Free
30% seek low-sugar options
29% look for no added sugar

Significant shift towards sugar-free alternatives with natural ingredients like stevia and monk fruit.

Non-Alcoholic
32% increase in sales
35% from insurgent brands

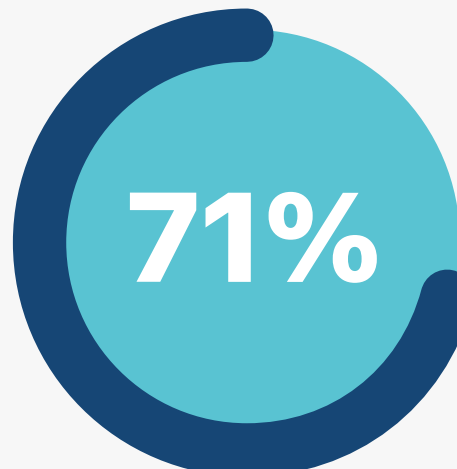
Fewer young adults drink alcohol today than two decades ago.

2. PLANET-FRIENDLY PICKS

Sustainability and ethics are no longer just trends, they're core expectations in the beverage industry



of consumers actively seek out eco-friendly beverage brands



of consumers are more concerned about the environment than ever before.

Sustainable Products

30%
of US consumers plan to increase intake of plant-based substitutes.

Eco-conscious consumers are driving the demand for sustainable and health-centric beverages - alternative milk and plant-based protein shakes.

Gen Z and Millennials are particularly vocal, pushing brands to source responsibly and innovate with sustainable packaging - minimizing their environmental footprint.

Eco-Friendly Packaging

5.1% CAGR
global sustainable packaging market 2020-2027

Brands are increasingly moving towards eco-friendly packaging. Deposit Return Schemes (DRS) are gaining ground, promoting recycling and reducing litter.

3. GRAB-AND-GO VALUE

Convenience reigns supreme

The global ready-to-drink beverages market size

\$ 766.7 B
in 2024
\$1,227.8 B
by 2032

Private Labels

21%
of US grocery industry unit sales

Products appealing to price-sensitive and health-conscious consumers.

Pack Size

2000%
growth in beverage combo packs

Increased demand for varied and convenient options to cater to cost-conscious and adventurous consumers

Ready to Drink

43%
of RTD consumers drink them more than once a week

Busy lifestyles and on-the-go consumers seek quick energy boosts and hydration.

4. TECH TASTES

Technology ushering in an era of unprecedented convenience and personalization



Sales growth for manufacturers focusing on innovation

E-commerce

15.2%
increase in online beverage sales

Digital platforms offer convenience and subscription-based models

Personalization

+5% YoY
increase in utilization of AI tools in Coffee and Tea

AI-powered platforms and services offer customization based on taste, dietary needs, and health goals.

Innovation

258
new product launches in the energy drink industry alone

Continuous innovation (with unique functional claims and ingredients) is essential

MARKETING SUGGESTIONS FOR BEVERAGE BRANDS

Embrace Continuous Innovation

Leverage AI, engage with real-time consumer feedback, and stir excitement through limited-time offerings to keep their products relevant and appealing.

- Leverage AI-Driven Insights
- Listen To Social Feedback
- Experiment With Limited Drops



Leverage Social Media

Through captivating content and direct consumer engagement, beverage brands can forge deeper connections and boost visibility.

- 'Influence' Your Marketing
- Offer Social Media Exclusives



Evoke Nostalgia

By tapping into nostalgic feelings, brands can connect with a broad audience, bridging the gap between past and present in a way that feels both fresh and familiar.

- Renew with Retro
- Stir up fond memories - packaging / communication



Showcase Sustainability

Implement sustainable solutions, reduce carbon footprints, and embrace eco-friendly manufacturing processes. Avoiding greenwashing is crucial!

- Source Ethically
- Package Sustainably
- Build Trust with Clear Labeling



Optimize Omnichannel

A seamless omnichannel strategy (integrating online and offline touchpoints) is crucial for delivering a satisfying consumer experience and to gain an understanding of consumer behavior.

- Gain Shopper Insights
- Refine Product Offerings
- Collect First-party Data



Leverage Experiences

Harnessing the power of major events and occasions can dramatically boost brand visibility and consumer engagement.

- Tap Into Events
- Design Unique Experiences
- Create Pop Culture Tie-Ins



Engage Through Promotions & Rewards

Incorporate gamification elements to create interactive and exciting experiences that encourage repeat purchases and deepen consumer connections.

- Create Targeted Rewards
- Offer Receipt-Based Promotions



Tap Into FMNs

Deliver personalized SKU-level promotions to consumers, by tapping into bank audiences, directly at the time of their card-based purchase.

- Tap into 67M+ shoppers
- Top-tier bank partnerships



As brands strive to remain competitive and relevant, the ability to adapt to these changes has never been more critical. Discover how our best-in-class promotions and loyalty solutions can help to drive sales and engage your customers.

LET'S TALK

Don't miss the full guide:

INNOVATION ON TAP - CPG Beverage Industry Trends & Marketing Strategies - USA & EUROPE

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