

Growth Beyond Price in RTD Coffee

Successful RTD Coffee brands manage to grow despite inflationary pressures faced by the category. What are the winning brands doing beyond price?

RTD Coffee Base Price is
+3.7%
And EQ volume is down
-5.4%

There is minimal shifting volume between Multi and Single Serve, and only
32%
Of SS buyers also buy MS

54%
Of SS growth is attributed to the Mid Priced Tier,
72%
Of MS growth is attributed to the Mid Priced Tier

Source: NielsenIQ Panel Total Outlets, 52 W/E 4/27/2024 vs YA

Despite inflationary pressures, value pricing alone is not enough to generate demand
Across both Single Serve and Multi Serve, winning brands span the various price tiers



Single Serve

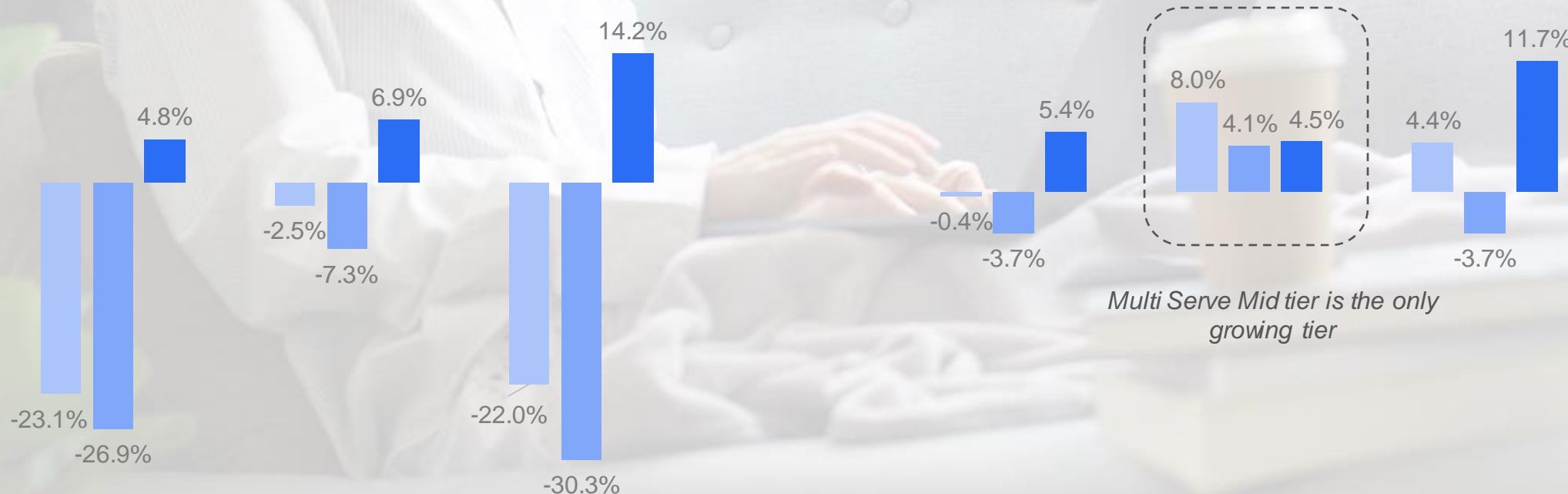


Multi Serve

| Tier | Low Priced | Mid Priced | High Priced |
|-----------------------------|------------|------------|-------------|
| % Contribution to EQ Growth | 41% | 54% | 5% |

| Tier | Low Priced | Mid Priced | High Priced |
|-----------------------------|------------|------------|-------------|
| % Contribution to EQ Growth | 10% | 72% | 18% |

■ \$ % Chg
■ EQ % Chg
■ Base Price % Chg



Multi Serve Mid tier is the only growing tier

Source: NielsenIQ RMS Total US xAOC + Convenience, 52 W/E 5/18/2024 vs YA

Winning brands are finding ways to differentiate

Top Single Serve strategic ingredient claims focus on milk types and “real coffee”, while Multi Serve focus on skipping unwanted add-ins and “creaminess”

Strategic Ingredient Claims Emerging Trends

Single Serve Top 10 Brands

EQ % Chg

With Almond and Coconut Milk, +274%

Made with Ultra Filtered Milk, +78%

Made with Real Coffee, +42%



Multi Serve Top 10 Brands

EQ % Chg

Creamy, +12,788%

No Synthetic Colors, +437%

No Additives, +50%

Source: NielsenIQ RMS Total US xAOC + Convenience, 52 W/E 5/18/2024 vs YA

Key Takeaways →

1. Despite increasing RTD Coffee prices, there does not appear to be a shift to lower priced offerings. In fact, across both Single Serve and Multi Serve, winning brands span the various price tiers. This indicates that value pricing alone is not enough – brands must find ways to differentiate.
2. The winning Single Serve brands stress milk types and “real coffee” claims, while Multi Serve top brands highlight lack of ingredients associated with negative connotations, as well as “creaminess”. Know the trending attributes amidst your competitors and align with the growth to better capture your target audience.
3. The minimal buyer interaction between Single Serve and Multi Serve, as well as the differing trending claims, indicate that the two segments behave quite differently and likely attract a different consumer. Understand who the consumer of your brand is in order to better cater to their needs, as well as determine if there is white space opportunity to attract a different consumer by expanding your portfolio.

Reach out to your NIQ representative to hear more about how Discover Panel on Demand can help you better understand your consumer!



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