



the
beverage
FORUM Europe

EUROPEAN BEVERAGES

New horizons in a changing world

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Disrupting the traditional category code is crucial to the Beverages category



Wine & Spirits category has contracted by Volume; most Value sales growth inflation & premiumisation led rather than organic demand



Generational shift in consumers' needs, affordability, new rituals, experiences and innovative options requires new product propositions and engagement to drive consideration & trial: make wine & spirits cool again!



Innovation is a robust source of demand but struggling to command a premium when exciting alternatives are now available: more functional, healthier, exciting with a new cool buzz, active in social media communities (RTM)



Private Labels have not gained a foothold; yet Retailers are likely to focus on RTD Spirits segment growth with new launches, innovative products and customised engagement at scale



Sustainability is non-negotiable to Retailers: Inviolable for all generations, expanding to community & ethics

Reinvention with Respect of brand & category iconicity is a strategic imperative

Reinvent and Re-position or an adjacent category may do it for you: How the Snacking Boom has impacted Beverage pairings; and drained coffee's cup

€58bn

European Snack
Market Size

5.5%

2025-2030
CAGR Forecast

Source: Statista, Jun 2025

DRIVERS

Healthier Options
Alternative Ingredients
Natural Source
Low-Sugar, Alt-Dairy
Gluten-Free

GROWTH SEGMENTS

Fortified Hydration
Exotic Fruit Combinations & Flavours
Bubble & Sparkling mouth sensations
Low-Sugar, Caffeine, Cold & Fruit Infusions
Low/Zero Alcohol, Hard Seltzers & RTD Spirits



Changing Product Mix
Changing Consumer Demography
Consumption Occasions

2024 Snack Innovation Pacesetters® earning > €1Mn/SKU

Meat Snacks



High Protein Egg/Cheese Snacks



Gut-health friendly Yoghurt / Dairy



Vegetable & Spicy Crisps



Meal-inspired Snacks



Packaged Fresh Fruits



Beverage Pairing that coherent with Snack Options & Any-time Drivers



Affordable & Sustainable Hydration
Tap Water with Real Fruit & Vegetable Infusions
Healthier, Affordable, Carbon-Neutral, Recycled



Low/Zero Alcohol & RTD Spirits
Seltzers & Cold Brew Infusions
Guarana, Manganese, B-Vitamins, Protein



Functional Beverages
Active Ingredients
Caffeine, Guarana, Manganese, B-Vitamins, Protein



Hydration & Replenishment
Low-Sugar, Real Fruit or Juice Infused
Guarana, Manganese, B-Vitamins, Protein

Reinvent and Re-position or an adjacent category may do it for you: Marginal events outside of the core category today can have significant strategic effects by 2045

The Ozempic™ Effect on Alcohol



Morgan Stanley Research, 2024
Moody's Research, Drinka Business

66%

On Weight Loss
GLP-1 medication
consuming less
alcohol

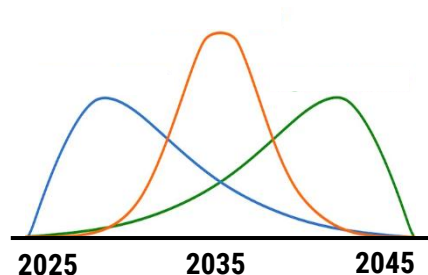
Low/No
Alcohol

Low
Sugars/
Calorie

Protein
agnostic

Low
Fizz

Marginal trends today become Structural by 2045



18-24 yrs No/Lo

Majority

Aging



Lo/No

Alcohol=Beverages

Convergence



Climate



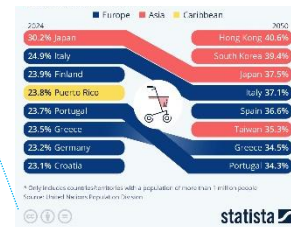
Regulation



Tax/Tariffs



Countries with aging populations
become traditional
wines & spirits markets
China Korea Japan Italy



Attention starved & **fragmented audiences** hard to reach via traditional media & ambassadors – requires a reset in **consumer & shopper engagement**



Time-poor, Over-stimulated Fragmented media consumption



Imperfect & Authentic Voices

Organic content from social media users – either influencers or the larger social media community – helps propel beverage trends and inspires new usage occasions



Social Media Ambassadors communicate product messaging to a more targeted group of consumers, through a source consumers engage with regularly and trust.

Partnerships with **celebrities and public figures** allow brands to reach millions of consumers at a time.

Travel to the world's best vineyards Virtual Wine Tasting



In-Store Wine Storytelling & Merchandising



Social media has influenced a re-discovery of the category Personalized, Informal & Experiential Consumption



Strategic reinvention, not tactical disruption, is crucial to growth

Category leadership will be capability & skills driven



New consumers, needs, rituals & occasions are transforming the meaning of the European Beverages category



High growth in adjacent categories & marginal trends today will impact the wines & spirits category by 2035



Sustainability is a commercial opportunity; it is a retailer driven market today. Consumer demand constrained by availability & affordability



Disruptive innovation driven by capabilities will make wines & spirits desirable and cool again:
Beyond buzz but true re-invention of innovation in product, pricing, distribution, consumer engagement



Low/No Alcohol is about moderation & under-consumption. It will structurally change consumer demand by 2045
But the BWS category's brand iconicity, crafted & innovative products, unique experiences can shape the journey



Reset in consumer & shopper engagement driven by new capabilities, not tactical promotional activity creating a buzz

2025 is setting the stage for new horizons for growth & category leadership

Navigating the future of European beverages: strategic actions for industry leaders and challengers

Capitalize on evolving consumer preferences by adopting a holistic, data-driven approach to portfolio strategy and innovation, focusing on occasions and need states across the beverage ecosystem



Align Product Portfolio with Consumer Need States and Attitudes

Develop a strategic approach to innovation that focuses on addressing evolving consumer need states and attitudes across beverage categories.



Accelerate Innovation in High-Growth Segments

Develop a strategic innovation road map focused on NOLO alternatives, functional benefits and unique flavor combinations.



Implement Agile, Data- Driven Decision-Making

Establish a framework for using advanced analytics to forecast demand, track shopper trends in channels, focus on promotion effectiveness & sharpen engagement ROI.



Optimize Growth Strategy Across Channels

Develop a comprehensive growth strategy that balances opportunities across in-home, out-of-home and emerging channels. Collaborate with Retailers using data.



Redefine Your Occasion- Based Portfolio Strategy

Conduct a comprehensive portfolio review to identify opportunities across both alcoholic and nonalcoholic offerings, focusing on key consumption occasions and need states.



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Circana is a leading advisor on the complexity of consumer behavior. Through superior technology, advanced analytics, cross-industry data, and deep expertise, we provide clarity that helps almost 7,000 of the world's leading brands and retailers take action and unlock business growth. We understand more about the complete consumer, the complete store, and the complete wallet so our clients can go beyond the data to apply insights, ignite innovation, meet consumer demand, and outpace the competition.

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