



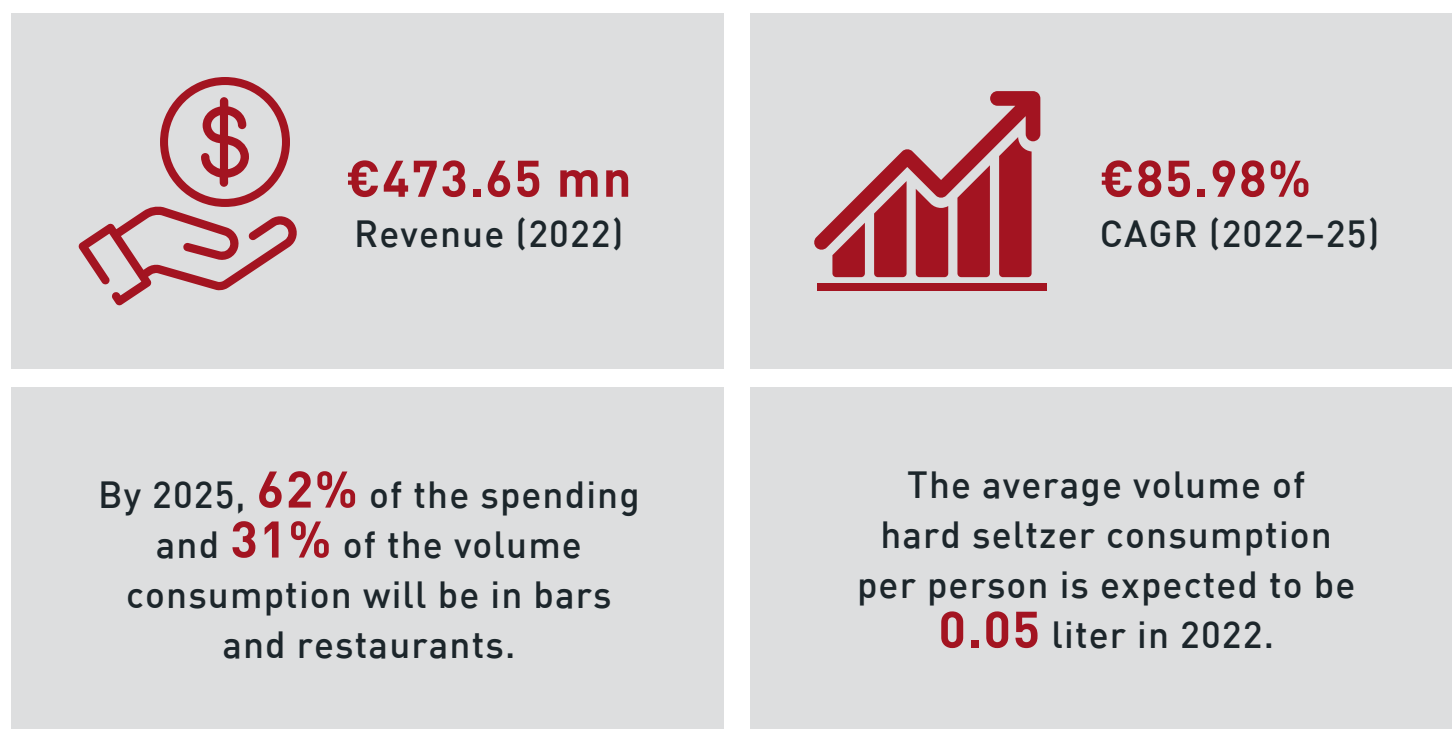
HARD SELTZER

THE NEW "SPARKLE" IN BEVERAGES

Hard seltzer is a refreshment beverage made with carbonated water and alcohol and infused with natural fruit flavoring. Although the beverage has been in the market since decades, its popularity soared during the pandemic, revealing its growth potential. It is projected to expand from €3469.5million in 2019 to €9888.9million by 2027 at a CAGR of 12.7% during 2021–27. The number of hard seltzer brands have also risen from only 10 in 2018 to over 100 today.

Europe and the UK have recently acquired a taste for this new beverage, as is evident from the statistics of the region:

Europe and UK



Source - Hard Seltzer - Europe | Statista Market Forecast

GROWTH DRIVERS

Hard seltzer was first introduced by Coors in 1993. The company launched Zima, a low alcoholic content beverage, similar to wine coolers. However, the beverage did not find many takers then and had to be taken off the shelves. Hard seltzer started gaining popularity around 2016 and made a strong comeback during the pandemic.

The main growth drivers of this beverage are as follows:

- CUSTOMER PREFERENCE** – Contemporary and modern consumers seek healthy beverage options with less alcohol content. This has led to increase in the sale of hard seltzer among consumers who prefer a balanced diet.
- HEALTHY OPTION** – Hard seltzer has proven to be a healthier option than alcohol. In addition to a relatively low alcohol by volume (ABV) content, it has less carbohydrates and calories. Hard seltzer can also be made gluten-free.
- CONVENIENT** – The demand for “on the go” drinks has increased. The millennial and Gen-Z populace prefer light drinks that are easy to obtain and prepare. Hard seltzer comes in cans, boxes, and easily portable tetra packs.
- SOCIAL MEDIA** – Hard seltzer packaging is enticing and well-designed across brands. Its picture-perfect look increases its popularity with the social-media-savvy populace who like capturing their fun-filled moments and posting them online.

HARD SELTZER IN EUROPE

Hard seltzer has significant potential in the European market. The demand for the drink in the region is increasing due to the factors listed earlier. Furthermore, the introduction of innovative flavors, new ingredients, and unique fermentation processes by companies drive growth in this market. Other macro-economic factors such as reopening of tourism and travel industries, increase in number of operating restaurants and bars, and rising online sales of alcoholic beverages also boosted its easy availability.

European markets are recording significant growth in this segment, with the following key players:

- Barefoot Cellars
- Oskar Blues Brewery
- Mulberry Street
- White Claw
- Bravazzi Hard Italian Soda

Many other established beverage companies are also set to enter this industry.



BASIC PROCESS

Hard seltzer is mainly made from fermented cane sugar and can also be brewed with malted barley or vodka. The most common way to make hard seltzer is to ferment sugar solution to create a strong alcoholic base. This solution is then filtered to get a clear, flavorless, odorless, and colorless liquid. It is diluted to working strength and infused with fruit flavoring. Citric or malic acid and sugar in little quantity may be added to enhance taste. The last part of the process consists of stabilizing, carbonating, and packaging. It is always ideal to have a few pilot batches to finalize the yeast strain and decide on the level of yeast nutrients capable of producing the desired fermentation.

ORGANIC HARD SELTZER

The popularity of organic products has been growing, with consumers demanding natural and chemical-free products, especially in the food and beverage segment. Hard seltzer has also followed this trend, and organic options are available in this segment. The seltzer that receives organic certification does not include any chemicals, genetically modified ingredients, or products grown using fertilizers or pesticides. The flavoring used in regular seltzer is synthetic, but organic options have all natural flavors.

In 2020, Heineken launched its hard seltzer brand, Pure Pirana, in Europe, which is made of carbonated purified water and natural flavoring. The other organic options are Maha Organic Hard Seltzer and Michelob Ultra, among others.



CREATE A NEW SPARKLE

The hard seltzer marketplace is becoming increasingly crowded. The following things can prove effective in creating differentiation in this market:

FLAVORS	ALCOHOL
<p>Introducing new and interesting flavors is a great way for a hard seltzer brand to make an impact. Fruity flavors such as black cherry, grapefruit, and lime are making waves in the market. Some brands have also created interesting combinations such as melon basil and cucumber peach. The key is to find fresh and exciting flavors that will create a steady following.</p>	<p>While hard seltzer mainly uses fermented cane sugar, brands can also try malt liquor from malted barley or vodka. Makers can use different techniques to launch various products to appeal to a large set of audience.</p>

To create a strong USP, beverage manufacturers must pioneer new and different tastes and experiences.

FUTURE

Hard seltzer has created a niche by being positioned as a lifestyle rather than a drink. In addition to being fun, healthy, and convenient, the drink is not gender-specific and has large-scale appeal. As it costs lesser than alcoholic beverages, it has attracted the younger generation. The hard seltzer market has huge potential and is poised to grow rapidly in Europe. Many leading beverage companies plan to launch new brands, making hard seltzer a fast-growing drink category. Consumers can be capricious when it comes to choosing a beverage, and therefore, brands must connect with customers and establish brand loyalty to ensure success.

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