

Pop Culture: The Growth of Sparkling Beverages

Sparkling Water boomed in 2022, growing 17% versus 2020. As consumers increasingly look for health-focused beverages, *is the sparkling beverage trend here to stay?*

The trend continues as Sparkling Beverages* grew \$

+6.6%

And grew units

+3.5%

Functional Sparkling Beverages drove trend's rebound as units grew

3.9x

more than Total Sparkling Beverages

Further, Gen Z drove Sparkling Beverage growth, with units growing by

15x

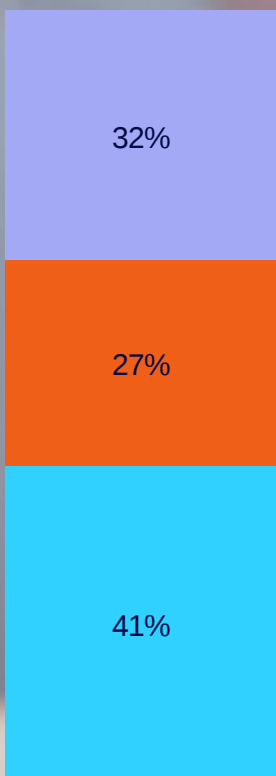
more than total panel

*Sparkling Beverages = Sparkling Water + Sparkling Juice + Seltzer Water

Gen Z drives growth across total sparkling & carbonated beverages

Room for Sparkling Juice and Seltzer to grow Gen Z units towards carbonated beverage benchmarks

% Cont to Growth – Sparkling Beverages*



Sparkling* & Carbonated Beverage Category Growth

Unit % Growth vs YA

GEN Z MILLENNIAL GEN X BOOMERS+



Source: NielsenIQ Panel On Demand Omnishopper | US OSH - NDH Synd Full View - 444 5 yr | L52 w/e 10/05/24

Winning sparkling beverage brands capitalize on Gen Z values & shopping behaviors

Drive incrementality through Tik Tok Shop and stackable ESG attributes

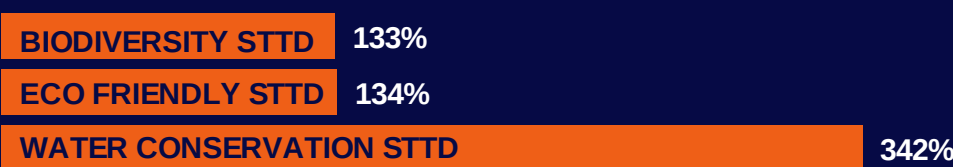
Value #1: Gen Z is Digital First

Tik Tok Shop Sales



Value #2: Sense of identity with social causes

Growing ESG Claims – Unit % Chg 2YA



Gen Z is willing to spend 10% more on sustainable products and those with 2+ sustainability attributes saw a 2.5x higher sales lift. Inspire future Gen Z purchases with attributes they are spending on, such as these sparkling beverage brands:



Source: NielsenIQ Omnisaless | Syndicated US for Manufacturers | L52 w/e 10/26/24; NIQ SpendZ Report

Key Takeaways

1. The growth of Sparkling Beverages is here to stay, driven by functional sparkling beverages and the growth of Gen Z. Sparkling water, sparkling juice, and seltzer water are finding growth by successfully reaching Gen Z in ways that matter to them. As Gen Z will be the highest-spending cohort in history, it is crucial for brands to understand how to reach this demographic.
2. Gen Z are a digital first generation. By investing in unique digital avenues like Tik Tok shop, sparkling beverage brands can foster an authentic relationship with their buyers. Thus, it is more crucial than ever to develop a strong omnichannel strategy to capture Gen Z spend.
3. Gen Z's sense of identity is linked to social causes, with multiple claims driving even more sales. However, winning attributes will vary greatly across the Gen Z population. It is crucial for sparkling beverage brands should invest in data that reveals which claims their buyers are gravitating towards to drive innovation and stackable attributes.

Reach out to your NIQ representative to learn about how NIQ Panel on Demand can illuminate generational insights for your category and brand!



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