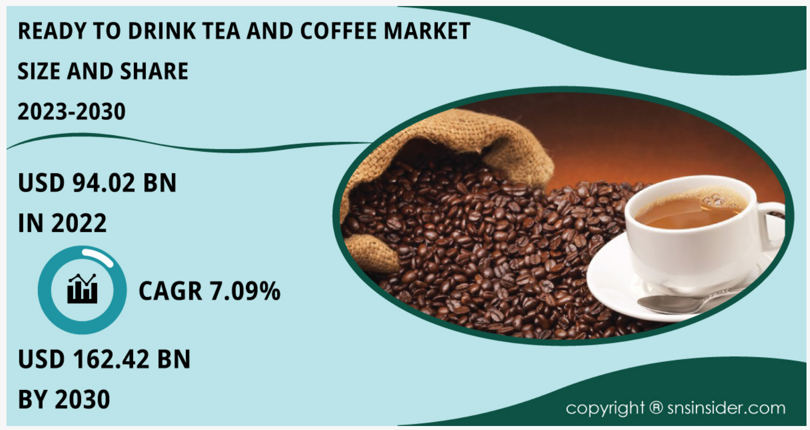
Ready to Drink Tea & Coffee Market Set to Soar Past USD 162.42 Billion by 2030, Brewing a Blend of Convenience & Health

The Ready-to-Drink Tea and Coffee Market reached USD 94.02 billion in 2022, projected to hit USD 162.42 billion by 2030, with a 7.09% CAGR from 2023 to 2030



Ready to Drink Tea and Coffee Market Report

AUSTIN, TX, UNITED STATES, February 15, 2024 /EINPresswire.com/ -- The SNS Insider report reveals that the □□□□□ □□ □□□□□ □□□ □□□□ □□□□□□□ □□□□□□□, valued at USD 94.02 billion in 2022, is poised to reach USD 162.42 billion by 2030, exhibiting a steady CAGR of 7.09% during the forecast period 2023-2030.

The Ready to Drink Tea and Coffee Market represents more than just a segment of the beverage industry; it embodies a flavorful future shaped by convenience, diversity, and a commitment to health and wellness. As consumers embrace the convenience and indulgence of RTD beverages, the market stands ready to delight palates and captivate hearts, ushering in a new era of refreshment and enjoyment.

> "The Ready to Drink Tea and Coffee Market is experiencing significant growth due to increasing consumer demand for convenience, health-conscious options, and innovative flavors."
>
> *SNS Insider Research*

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Market Report Scope
The Ready to Drink (RTD) Tea and Coffee market has witnessed substantial growth, driven by the rising prevalence of on-the-go consumption, particularly among urban dwellers and the younger demographic. The appeal lies in the diverse flavors and varieties available, catering to varied consumer preferences. This market's growth is further propelled by the global shift towards

healthier and more convenient beverage options, incorporating functional ingredients, natural formulations, health claims, specialty varieties, and reduced sugar content. RTD tea and coffee, positioned as a subgroup of soft drinks, differentiates itself with proven health benefits, capturing the evolving preferences of consumers worldwide.
Positioning RTD tea and coffee as recreational products has significantly benefitted in attracting millennials, which further augments the product demand. Rapid socio-economic development over the last two decades has led to a rise in several chronic health conditions such as cancer, heart disease, and diabetes. Health advantages coupled with the consumption of RTD tea and coffee are driving the attention of consumers, particularly the aging population, further boosting consumer inclination towards RTD tea and coffee. Various types of RTD tea and coffee products are being launched in the market to cater to the wide consumer base spread across geographies.

Market Analysis
The RTD tea segment dominates the market, with variations such as black, green, herbal, matcha, oolong, and chilled gaining significant traction. The demand is fueled by the rising working population and professionals' hectic schedules, showcasing heightened demand for carbonated RTD tea. The RTD coffee segment is expected to grow at the fastest CAGR, driven by the well-accepted beverage's perceived health benefits. Varieties like yerba mate, guarana, acai berry, ginseng, taurine, and chilled options contribute to the growing popularity of RTD coffee. In packaging, PET bottles are gaining momentum due to greater breakage resistance, energy efficiency during manufacturing, and recyclability. Canned packaging, with its benefits of flavor preservation and extended shelf life, is also experiencing considerable growth. Supermarkets/hypermarkets lead in distribution channels, fueled by changing retail landscapes, the growth of supermarket chains, and the convenience demanded by busy urban consumers.

Segmentation Analysis
• By Product Type
The RTD tea segment dominates the market, driven by its wide variety and convenience. Consumers are increasingly drawn to carbonated RTD tea variants, further fueling segment growth. The RTD coffee segment is anticipated to witness the fastest CAGR, buoyed by increasing acceptance and demand for healthier alternatives.
• By Packaging
PET bottles are gaining traction due to their recyclability and breakage resistance, while canned packaging offers flavor preservation and extended shelf life, contributing to its significant growth.
• By Distribution Channel
Supermarkets/hypermarkets lead in revenue contribution, supported by the growing retail landscape and the convenience they offer to consumers. The foodservice distribution channel is also gaining prominence, catering to various establishments like cafeterias, hotels, and restaurants, bolstering market growth.

Growth Factors

• A significant catalyst for the market's growth is the surge in on-the-go consumption, particularly among urban populations and the younger demographic. The fast-paced lifestyles of professionals and the preference for quick and convenient refreshments have led to a substantial increase in the demand for RTD tea and coffee. This trend is further fueled by changing eating habits, with individuals opting for smaller nutritional snacks and drinks as meal replacements.
• Consumers are attracted to the wide array of flavors and varieties available in the RTD tea and coffee segment, catering to their diverse and evolving preferences. The market has responded by offering variations such as black, green, herbal, matcha, oolong, and chilled teas, as well as coffee infused with yerba mate, guarana, acai berry, ginseng, and taurine. This diversity appeals to a broad consumer base, contributing to the market's growth.
• The shift towards healthier beverage options is a key driver in the market's growth. With health and wellness trends gaining momentum, RTD tea and coffee products are now incorporating functional ingredients, natural and clean label formulations, specific health claims, specialty varieties, and reduced sugar content. This strategic alignment with health-conscious consumer preferences positions RTD beverages as a favorable choice in comparison to carbonated drinks, contributing to sustained market expansion.

Key Regional Development
The Asia Pacific takes the lead in the global market, driven by countries like India, China, and Japan, boasting numerous tea and coffee estates. The Middle East and Africa are projected to experience the highest CAGR, propelled by a changing retail landscape and maximum consumption of RTD products. North America is set to observe moderate growth, primarily driven by the U.S. and Canada, as the importance of health and improved dietary habits continues to rise.

Impact of Covid-19 on Ready to Drink Tea and Coffee Market :
• The Covid-19 pandemic has had a significant impact on the ready to drink tea and coffee market. With lockdowns, social distancing measures, and the closure of cafes and restaurants, consumers have shifted their consumption patterns towards at-home consumption.
• One of the immediate effects of the pandemic was panic buying, leading to increased sales of ready to drink tea and coffee products. As people stocked up on essential items, they also purchased these beverages for convenience and comfort during uncertain times. This surge in demand resulted in temporary shortages and supply chain disruptions.
• However, as the pandemic continued and economic uncertainties grew, consumer spending habits changed. Many people faced financial constraints due to job losses or reduced incomes, leading them to cut back on non-essential purchases like ready to drink tea and coffee. This shift towards more frugal spending impacted the market negatively.

Market Opportunities :
• Additionally, health-conscious consumers are increasingly seeking healthier alternatives to sugary carbonated drinks. Ready-to-drink tea and coffee brands have capitalized on this trend by offering low-sugar or sugar-free options, as well as incorporating natural ingredients and

functional benefits such as antioxidants or energy-boosting properties.
• Furthermore, the rise of e-commerce platforms has opened up new avenues for market expansion. Online sales provide an accessible platform for smaller or niche ready-to-drink tea and coffee brands to reach a wider audience without the need for extensive distribution networks. This has led to increased competition and innovation within the market.

Key Takeaways
• The RTD Tea and Coffee Market is on an upward trajectory, driven by health-conscious consumers and the growing demand for convenient beverage options.
• RTD tea dominates the market, with diverse variations appealing to a wide consumer base.
• Asia Pacific emerges as a key player, fueled by its rich tea and coffee culture and a growing preference for healthier options.

Recent Developments
In December 2022: MatchaKo introduced the first RTD premium matcha beverage certified organic, vegan, and Non-GMO.
In April 2022: Red Diamond Coffee & Tea expanded its RTD tea selection with 11-oz. bottles, emphasizing simplicity with just a few natural ingredients and avoiding concentrates or preservatives. These innovations showcase the market's commitment to offering healthier, convenient options to consumers.

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