



Hard seltzer's growing pains result in category 'homelessness'

The growth of RTD seltzers may be being hampered by fragmented in-store execution, by Laurie Wespes, Co-founder and CEO of Snooper.



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Laurie Wespes
CEO
Snooper

Due to the ‘better for you’ benefits of hard seltzers such as lower carbs and lower sugars, there has been a flurry of brand launch activity since Quincy first launched in October last year.*

Brands launched since then include Good Tides, Actual and Smirnoff, ‘craft’ labels Fellr, Sunly and Sips, and most recently Saintly, with US juggernaut White Claw coming this month. This brand proliferation has resulted in substantial fragmentation in a still-nascent, if growing, category.

While brands and retailers are investing in POS materials such as wobblers and fridge decals to drive conversion and educate on seltzers’ ‘better for you’ benefits in a category less understood than in the US, some of this activity may be getting lost in shopper conversion translation when it comes to in-fridge space management.

As part of Snooper’s new monthly syndicated RTD data tracking series, our community of shoppers looked at the in-store execution of seltzers in more than 100 national banners and independent stores across the country.

While the growth both in the number of players and space allocated to the category is undeniable based on the data collected since June, our findings also indicate RTD seltzers currently lack a single home, and do not have a consistent home placement on the proverbial ‘block’.

Most stores our shoppers visited ranged at least one seltzer brand and up to 10 SKUs. We have observed an average five times increase in the number of brands between June and August. This has resulted in an increase in facings, in some cases up to 22 facings (while the maximum observed in June was 13 per store).



ABOUT LAURIE WESPES AND SNOOPER

Laurie Wespes is Founder and CEO of Snooper. Snooper connects brands and retailers to a community of thousands of shoppers who collect in-store data and consumer insights to track performance and identify areas of growth in real time. Snooper's RTD data series tracks KPIs such as brand penetration, share of space, price, promo mechanics, pack types, facings, and position on shelf. More information at snooper-app.com or contact laurie@snooper-app.com.

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– Laurie Wespes, CEO, Snooper

However even this is still underfaced versus category growth rates, and the number of facings allocated to seltzers isn't growing proportionally with the fridge doors allocated to RTD. This highlights the potential for range and share of shelf extension.

In some stores we visited, Actual had lower share of shelf than its competitors due to unavailability of single cans. Single cans are a good format for trial as they reduce perceived consumer risk of outlaying for a multipack of something untested.

Seltzers also compete for space with other new and 'better for you' product categories such as hard kombucha. Some stores had a larger hard kombucha range and allocated more facings to this category than to hard seltzer or other established categories such as gin-based RTDs.

But the biggest issue is lack of layout consistency. We observed seltzers 'broken up' as a category rather than blocked together, with some brands sitting adjacent some categories and other brands adjacent other categories. This further increases shopper difficulty of understanding and navigating the planogram. And even where seltzers were ranged together, the adjacencies varied tremendously; ranging from cider and hard lemonade to hard kombucha or adjacent to whisky and cola RTDs.

To move beyond growing pains and fulfill their potential, in our view at a minimum seltzers need to be consistently ranged together in a block. The question remains about where shoppers expect to find seltzers, and how brands and retailers can improve the shop-ability of the fridge to capitalise on this growing category. ■

**According to IRI data published in National Liquor News in July, contributing \$1.6m in MAT to 3 May 2020.*

