

India Ready To Drink Coffee Market By Product Type (Iced Coffee, Coffee Latte, Black Coffee), By Packaging (Bottles, Cans, Carton), By Sales Channel (Supermarkets/Hypermarkets, Convenience Stores, Online), By Region, Competition, Forecast & Opportunities, 2020-2030F

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Abstracts

India Ready To Drink Coffee Market was valued at USD 8.47 Billion in 2024 and is expected to reach USD 10.60 Billion by 2030 with a CAGR of 3.8% during the forecast period. The India ready-to-drink (RTD) coffee market is witnessing significant growth, driven by evolving consumer preferences, rising disposable incomes, and increasing awareness of convenient beverage options. Coffee consumption in India has increased from 84,000 tonnes in 2012 to 91,000 tonnes in 2023, reflecting a growing shift towards coffee as a preferred beverage. Additionally, a significant 84% of consumers prefer tea and coffee as their primary beverages, highlighting the strong demand for coffee products. The remaining preference is split between milk-based products and fruit juices, further demonstrating coffee's prominent role in India's evolving beverage landscape. This rising coffee consumption is a key factor contributing to the growth of the RTD coffee market in the country.

The market is segmented by product type into iced coffee, coffee latte, and black coffee, with iced coffee leading due to its refreshing appeal and growing popularity among younger consumers. Coffee latte is also gaining traction, catering to those seeking a sweetened and creamy flavour profile, while black coffee is favoured by health-conscious individuals for its lower calorie content. In terms of packaging, bottles dominate the market owing to their durability and on-the-go convenience. Cans are also growing in popularity, especially among the urban demographic, due to their sleek

design and portability. Cartons appeal to environmentally conscious consumers, while tubs are niche, primarily catering to bulk purchases or specialty RTD coffee products. The choice of packaging plays a crucial role in product differentiation and consumer perception of quality. The sales channel distribution highlights the dominance of supermarkets and hypermarkets, which provide a wide array of choices and promotional discounts. Convenience stores hold a significant share, driven by their accessibility and impulse-buying nature. Online sales channels are experiencing rapid growth, fuelled by the e-commerce boom, increasing smartphone penetration, and the preference for doorstep delivery. Online platforms are especially favoured for their variety and exclusive deals, making them a key growth driver.

India's urban population is projected to reach 600 million by 2031, driving demand for convenient, ready-to-consume beverages like RTD coffee. Over 65% of India's population is under 35 years old, with millennials and Gen Z comprising the primary consumers of RTD coffee due to their preference for trendy and aspirational beverages. Key factors propelling the market include urbanization, lifestyle shifts, and the growing influence of Western culture, which has popularized coffee consumption as a status symbol and social activity. Additionally, the increasing number of working professionals and college students seeking quick caffeine solutions supports the demand for RTD coffee. The health and wellness trend also influences the market, as consumers seek low-calorie, organic, and functional coffee options. The RTD coffee market in India shows promising growth potential, with product innovation and strategic marketing playing pivotal roles in capturing consumer attention. While iced coffee remains the largest segment, black coffee and coffee latte offer growth opportunities due to their expanding appeal among health-conscious and indulgent consumers, respectively. Packaging innovations and omnichannel retail strategies will continue to drive market expansion, catering to diverse preferences and convenience needs.

Key Market Drivers

Evolving Consumer Preferences and Lifestyle Changes

The shift in consumer preferences towards convenient, on-the-go beverage options is a major driver of the India ready-to-drink (RTD) coffee market. As urbanization increases and more people adopt fast-paced lifestyles, the demand for ready-to-consumer products has grown exponentially. RTD coffee, being pre-prepared and packaged for immediate consumption, caters to this demand perfectly. Furthermore, Western influences on Indian food and beverage habits have positioned coffee as a trendy and aspirational drink. Unlike traditional Indian tea, coffee is perceived as modern and

sophisticated, especially among millennials and Gen Z consumers. This trend is bolstered by the growing number of working professionals and students who rely on caffeine to sustain energy levels throughout their busy schedules. RTD coffee, which eliminates the need for brewing, fits seamlessly into their routines. Additionally, increased disposable incomes and greater spending on indulgent, premium beverages have expanded the consumer base for RTD coffee products.

Packaging Innovation and Sustainability Trends

Packaging plays a crucial role in the success of RTD coffee products. Bottles, the most dominant packaging type, offer durability and portability, making them ideal for on-the-go consumption. Similarly, cans are gaining popularity due to their lightweight and sleek design, appealing particularly to young urban consumers. However, increasing environmental awareness among Indian consumers has driven demand for sustainable and eco-friendly packaging solutions, such as cartons made from recyclable materials. Brands that prioritize sustainable packaging not only enhance their brand image but also tap into a growing segment of environmentally conscious buyers.

Additionally, packaging serves as a medium for brand communication, with visually appealing designs and labeling that attract consumer attention. Functional innovations, such as resealable bottles or heat-retentive cartons, add value and improve the consumer experience. These developments in packaging help brands differentiate themselves in a competitive market while aligning with consumer preferences for convenience and environmental responsibility.

Rise of E-commerce and Omnichannel Retailing

The rapid growth of e-commerce platforms in India has significantly contributed to the expansion of the RTD coffee market. Online retail channels offer unparalleled convenience, a wide variety of products, and competitive pricing, making them highly attractive to consumers. E-commerce platforms also provide brands with a cost-effective way to reach consumers in both urban and semi-urban areas, thereby expanding their market reach. Moreover, exclusive online promotions, bundle offers, and the availability of premium imported brands have further boosted online sales. Simultaneously, physical retail channels such as supermarkets, hypermarkets, and convenience stores continue to play a pivotal role in driving sales. These outlets enable consumers to explore new products, benefit from promotional discounts, and make impulse purchases. The integration of offline and online retail strategies, or omnichannel retailing, ensures that consumers can access RTD coffee products through their

preferred channels, enhancing overall market penetration.

Key Market Challenges

High Competition from Traditional and Alternative Beverages

One of the primary challenges for the ready-to-drink (RTD) coffee market in India is the strong competition from traditional and alternative beverages. Tea remains deeply ingrained in Indian culture and is the preferred beverage for most consumers, especially in rural areas. Its affordability, widespread availability, and cultural significance make it a tough competitor to RTD coffee. Similarly, the increasing popularity of health-oriented drinks, such as herbal teas, cold-pressed juices, and functional beverages, diverts consumer interest away from RTD coffee. Carbonated soft drinks and energy drinks also compete within the same convenience beverage segment. These products often offer lower price points or stronger branding, making them appeal to price-sensitive and brand-loyal consumers. Additionally, the coffee shop culture in India, with outlets like Starbucks, Caf? Coffee Day, and local caf?s, allows consumers to enjoy freshly brewed coffee, which some may prefer over pre-packaged alternatives. This competitive landscape requires RTD coffee brands to consistently innovate and differentiate their products to capture and retain market share.

High Price Sensitivity and Limited Penetration in Rural Areas

Price sensitivity remains a significant barrier to the widespread adoption of RTD coffee in India. While the product appeals to urban, middle, and upper-class consumers, its relatively high price compared to traditional tea, home-brewed coffee, or even other ready-to-drink beverages limits its accessibility. For many Indian consumers, particularly in semi-urban and rural areas, RTD coffee is considered a premium product, out of reach for daily consumption. Moreover, limited distribution and marketing efforts in rural areas pose challenges for market penetration. A vast majority of India's population resides in these regions, where purchasing power and brand awareness are comparatively lower. Distribution networks often focus on urban and metropolitan markets, neglecting the potential of rural markets. Bridging the urban-rural gap requires substantial investment in logistics, marketing campaigns tailored to regional preferences, and affordable pricing strategies.

Health Concerns and Nutritional Awareness

The growing health and wellness trend in India presents both opportunities and

challenges for the RTD coffee market. While health-conscious consumers are increasingly seeking functional and low-calorie beverage options, many RTD coffee products are criticized for their high sugar content, artificial additives, and preservatives. This creates a perception that these products are not as healthy as they appear, deterring a segment of consumers who prioritize natural and wholesome beverages. Regulatory scrutiny over nutritional labeling and claims compels brands to reformulate their products or improve transparency, which may increase production costs. The challenge lies in striking a balance between maintaining taste, offering functional benefits, and adhering to health-conscious consumer demands. Brands that fail to address these concerns risk alienating a growing segment of the market that is increasingly inclined toward clean-label and better-for-you products.

Key Market Trends

Shift Toward Functional and Health-Oriented Beverages

A notable trend in the India ready-to-drink (RTD) coffee market is the growing demand for functional and health-oriented beverages. With rising health awareness, Indian consumers are increasingly seeking products that offer more than just taste and convenience. RTD coffee brands are responding by introducing variants with added functional benefits, such as enhanced caffeine content for energy, protein for fitness enthusiasts, or antioxidants for overall well-being. Sugar-free and low-calorie options are particularly gaining traction among health-conscious consumers who are wary of excessive sugar intake. Plant-based RTD coffee made with almond, soy, or oat milk is also emerging as a popular choice, aligning with the global trend toward dairy-free alternatives. These innovations cater to niche segments, such as fitness enthusiasts, diabetics, and those following vegan or lactose-free diets. Additionally, clean-label and organic RTD coffee products are on the rise. Consumers are paying closer attention to ingredient lists, preferring beverages made with natural ingredients and minimal processing. Brands that can effectively position themselves as health-focused and transparent stand to capture a significant share of this evolving market.

Premiumization and Experimentation with Flavors

As disposable incomes rise and consumer palates become more sophisticated, the trend of premiumization in RTD coffee is gaining momentum. Indian consumers, especially millennials and Gen Z, are willing to spend more on high-quality, indulgent beverages that provide a luxurious experience. This has led to the emergence of premium RTD coffee options that use high-grade coffee beans, artisanal brewing

techniques, or exotic flavor infusions. Experimentation with unique flavors is another key trend, as brands aim to stand out in a crowded market. Traditional flavors like mocha, vanilla, and caramel remain popular, but there is a growing interest in bold and unconventional options, such as spiced coffee, salted caramel, or even regional Indian-inspired flavors like cardamom or masala. These innovations not only cater to adventurous consumers but also help brands establish a distinctive identity. Limited-edition offerings and seasonal flavors, such as pumpkin spice or holiday-themed variants, are being introduced to create excitement and drive consumer engagement. This strategy, combined with premium packaging and branding, enhances the overall appeal of RTD coffee products and fosters a sense of exclusivity.

Technology-Driven Personalization and Engagement

The integration of technology in product marketing and consumer engagement is reshaping the RTD coffee market. Brands are leveraging digital platforms to gather consumer insights and offer personalized recommendations. For instance, online retail channels and mobile apps can analyze purchase behavior to suggest products tailored to individual preferences, such as specific flavors, calorie content, or caffeine levels. Social media is playing a pivotal role in building brand awareness and fostering consumer loyalty. Influencer marketing, interactive campaigns, and visually appealing content are helping RTD coffee brands connect with their target audience, especially younger consumers. Augmented reality (AR) and QR codes on packaging are being used to provide immersive experiences, such as virtual tours of coffee plantations or tutorials on how to best enjoy the product. Subscription models and loyalty programs are also gaining traction, offering consumers convenience and incentives while providing brands with consistent revenue streams and valuable data on consumption patterns. By embracing technology-driven personalization, RTD coffee brands can strengthen customer relationships and enhance overall market engagement.

Segmental Insights

Product Type Insight

Iced coffee was the dominant product type in the India ready-to-drink (RTD) coffee market, driven by its broad appeal among young and urban consumers. The refreshing and flavorful nature of iced coffee makes it a popular choice in a climate where hot and humid weather prevails for most of the year. Its versatility in flavor profiles, ranging from sweetened options like mocha and caramel to simpler variants with milk and sugar, caters to diverse consumer tastes. The segment has also benefited from effective

branding and marketing by leading players, which position iced coffee as a trendy and convenient beverage. The association of iced coffee with socializing and a modern lifestyle resonates particularly with millennials and Gen Z, who view coffee consumption as a status symbol. Additionally, the segment's extensive availability in supermarkets, convenience stores, and online platforms ensures its dominance. Bottled and canned iced coffee products are especially popular for their portability, making them an ideal choice for on-the-go consumption by students and working professionals. The affordability of mainstream iced coffee options further strengthens its leadership in the market.,

Regional Insights

South India stands as the leading region in the ready-to-drink (RTD) coffee market, driven by its strong cultural affinity for coffee consumption. The region's long-standing tradition of coffee-drinking, particularly in states like Tamil Nadu, Karnataka, and Kerala, has created a deeply rooted consumer base for coffee products. South Indian filter coffee, known for its robust flavor and aromatic richness, has historically dominated the beverage landscape, making it easier for RTD coffee to gain acceptance among consumers in this region. The presence of major coffee-growing areas, particularly in Karnataka's Chikmagalur and Coorg regions, contributes to the availability of high-quality coffee. This proximity to raw materials has also led to the rise of regional brands and local innovations, enhancing the availability and diversity of RTD coffee products. Urbanization and a growing young population in cities like Bengaluru, Chennai, and Hyderabad have further driven the adoption of RTD coffee as a convenient and trendy beverage. These metropolitan hubs house many tech-savvy professionals and college students, who favor ready-to-consume options for their convenience and alignment with modern lifestyles. Supermarkets, hypermarkets, and convenience stores in South India actively promote RTD coffee through attractive in-store displays and discounts, contributing to high sales volumes.

Key Market Players

Nestle SA

Starbucks Corporation

Gujarat Co-Operative Milk Marketing Federation (Amul)

Sleepy Owl Coffee Private Limited

Dairy Farmers of America, Inc.

Ajinomoto Co. Inc.

Lotte Corporation

Monster Energy India Private Limited

Arla Foods amba

Asahi Group Holdings Ltd

Report Scope:

In this report, the India ready to drink coffee market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

India Ready To Drink Coffee Market, By Product Type:

Iced Coffee

Coffee Latte

Black Coffee

India Ready To Drink Coffee Market, By Packaging:

Bottles

Cans

Carton

India Ready To Drink Coffee Market, By Sales Channel:

Supermarkets/Hypermarkets

Convenience Stores

Online

India Ready To Drink Coffee Market, By Region:

North

South

East

West

Competitive Landscape

Company Profiles: Detailed analysis of the major companies presents in the India ready to drink coffee market.

Available Customizations:

India ready to drink coffee market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

Contents

1. INTRODUCTION

- 1.1. Market Overview
- 1.2. Key Highlights of the Report
- 1.3. Market Coverage
- 1.4. Market Segments Covered
- 1.5. Research Tenure Considered

2. RESEARCH METHODOLOGY

- 2.1. Objective of the Study
- 2.2. Baseline Methodology
- 2.3. Key Industry Partners
- 2.4. Major Association and Secondary Sources
- 2.5. Forecasting Methodology
- 2.6. Data Triangulation & Validation
- 2.7. Assumptions and Limitations

3. EXECUTIVE SUMMARY

- 3.1. Market Overview
- 3.2. Market Forecast
- 3.3. Key Regions
- 3.4. Key Segments

4. VOICE OF CUSTOMER

- 4.1. Factors Influencing Awaiting Decision
- 4.2. Challenges Faced Post Purchase
- 4.3. Brand Awareness

5. INDIA READY TO DRINK COFFEE MARKET OUTLOOK

- 5.1. Market Size & Forecast
 - 5.1.1. By Value
- 5.2. Market Share & Forecast
 - 5.2.1. By Product Type Market Share Analysis (Iced Coffee, Coffee Latte, Black

Coffee)

5.2.2. By Packaging Market Share Analysis (Bottles, Cans, Carton)

5.2.3. By Sales Channel Market Share Analysis (Supermarkets/Hypermarkets, Convenience Stores, Online)

5.2.4. By Regional Market Share Analysis

5.2.4.1. North Market Share Analysis

5.2.4.2. South Market Share Analysis

5.2.4.3. East Market Share Analysis

5.2.4.4. West Market Share Analysis

5.2.5. By Top 5 Companies Market Share Analysis, Others (2024)

5.3. India Ready To Drink Coffee Market Mapping & Opportunity Assessment

5.3.1. By Product Type Market Mapping & Opportunity Assessment

5.3.2. By Packaging Market Mapping & Opportunity Assessment

5.3.3. By Sales Channel Market Mapping & Opportunity Assessment

5.3.4. By Regional Market Mapping & Opportunity Assessment

6. INDIA BOTTLES READY TO DRINK COFFEE MARKET OUTLOOK

6.1. Market Size & Forecast

6.1.1. By Value

6.2. Market Share & Forecast

6.2.1. By Product Type Market Share Analysis

6.2.2. By Sales Channel Market Share Analysis

7. INDIA CANS READY TO DRINK COFFEE MARKET OUTLOOK

7.1. Market Size & Forecast

7.1.1. By Value

7.2. Market Share & Forecast

7.2.1. By Product Type Market Share Analysis

7.2.2. By Sales Channel Market Share Analysis

8. INDIA CARTON READY TO DRINK COFFEE MARKET OUTLOOK

8.1. Market Size & Forecast

8.1.1. By Value

8.2. Market Share & Forecast

8.2.1. By Product Type Market Share Analysis

8.2.2. By Sales Channel Market Share Analysis

9. MARKET DYNAMICS

- 9.1. Drivers
- 9.2. Challenges

10. MARKET TRENDS & DEVELOPMENTS

11. SWOT ANALYSIS

- 11.1. Strength
- 11.2. Weakness
- 11.3. Opportunity
- 11.4. Threat

12. INDIA ECONOMIC PROFILE

13. POLICY AND REGULATORY LANDSCAPE

14. COMPETITIVE LANDSCAPE

- 14.1. Company Profiles
 - 14.1.1. Nestle SA.
 - 14.1.1.1. Company Details
 - 14.1.1.2. Products & Services
 - 14.1.1.3. Financials (As Per Availability)
 - 14.1.1.4. Key Market Focus & Geographical Presence
 - 14.1.1.5. Recent Developments
 - 14.1.1.6. Key Management Personnel
 - 14.1.2. Starbucks Corporation.
 - 14.1.2.1. Company Details
 - 14.1.2.2. Products & Services
 - 14.1.2.3. Financials (As Per Availability)
 - 14.1.2.4. Key Market Focus & Geographical Presence
 - 14.1.2.5. Recent Developments
 - 14.1.2.6. Key Management Personnel
 - 14.1.3. Gujarat Co-Operative Milk Marketing Federation (Amul).
 - 14.1.3.1. Company Details
 - 14.1.3.2. Products & Services

- 14.1.3.3. Financials (As Per Availability)
- 14.1.3.4. Key Market Focus & Geographical Presence
- 14.1.3.5. Recent Developments
- 14.1.3.6. Key Management Personnel
- 14.1.4. Sleepy Owl Coffee Private Limited.
 - 14.1.4.1. Company Details
 - 14.1.4.2. Products & Services
 - 14.1.4.3. Financials (As Per Availability)
 - 14.1.4.4. Key Market Focus & Geographical Presence
 - 14.1.4.5. Recent Developments
 - 14.1.4.6. Key Management Personnel
- 14.1.5. Dairy Farmers of America, Inc.
 - 14.1.5.1. Company Details
 - 14.1.5.2. Products & Services
 - 14.1.5.3. Financials (As Per Availability)
 - 14.1.5.4. Key Market Focus & Geographical Presence
 - 14.1.5.5. Recent Developments
 - 14.1.5.6. Key Management Personnel
- 14.1.6. Ajinomoto Co. Inc.
 - 14.1.6.1. Company Details
 - 14.1.6.2. Products & Services
 - 14.1.6.3. Financials (As Per Availability)
 - 14.1.6.4. Key Market Focus & Geographical Presence
 - 14.1.6.5. Recent Developments
 - 14.1.6.6. Key Management Personnel
- 14.1.7. Lotte Corporation.
 - 14.1.7.1. Company Details
 - 14.1.7.2. Products & Services
 - 14.1.7.3. Financials (As Per Availability)
 - 14.1.7.4. Key Market Focus & Geographical Presence
 - 14.1.7.5. Recent Developments
 - 14.1.7.6. Key Management Personnel
- 14.1.8. Monster Energy India Private Limited.
 - 14.1.8.1. Company Details
 - 14.1.8.2. Products & Services
 - 14.1.8.3. Financials (As Per Availability)
 - 14.1.8.4. Key Market Focus & Geographical Presence
 - 14.1.8.5. Recent Developments
 - 14.1.8.6. Key Management Personnel

14.1.9. Arla Foods amba.

14.1.9.1. Company Details

14.1.9.2. Products & Services

14.1.9.3. Financials (As Per Availability)

14.1.9.4. Key Market Focus & Geographical Presence

14.1.9.5. Recent Developments

14.1.9.6. Key Management Personnel

14.1.10. Asahi Group Holdings Ltd.

14.1.10.1. Company Details

14.1.10.2. Products & Services

14.1.10.3. Financials (As Per Availability)

14.1.10.4. Key Market Focus & Geographical Presence

14.1.10.5. Recent Developments

14.1.10.6. Key Management Personnel

15. STRATEGIC RECOMMENDATIONS

15.1. Key Focus Areas

15.1.1. Target Product Type

15.1.2. Target Sales Channel

15.1.3. Target Region

16. ABOUT US & DISCLAIMER

I would like to order

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