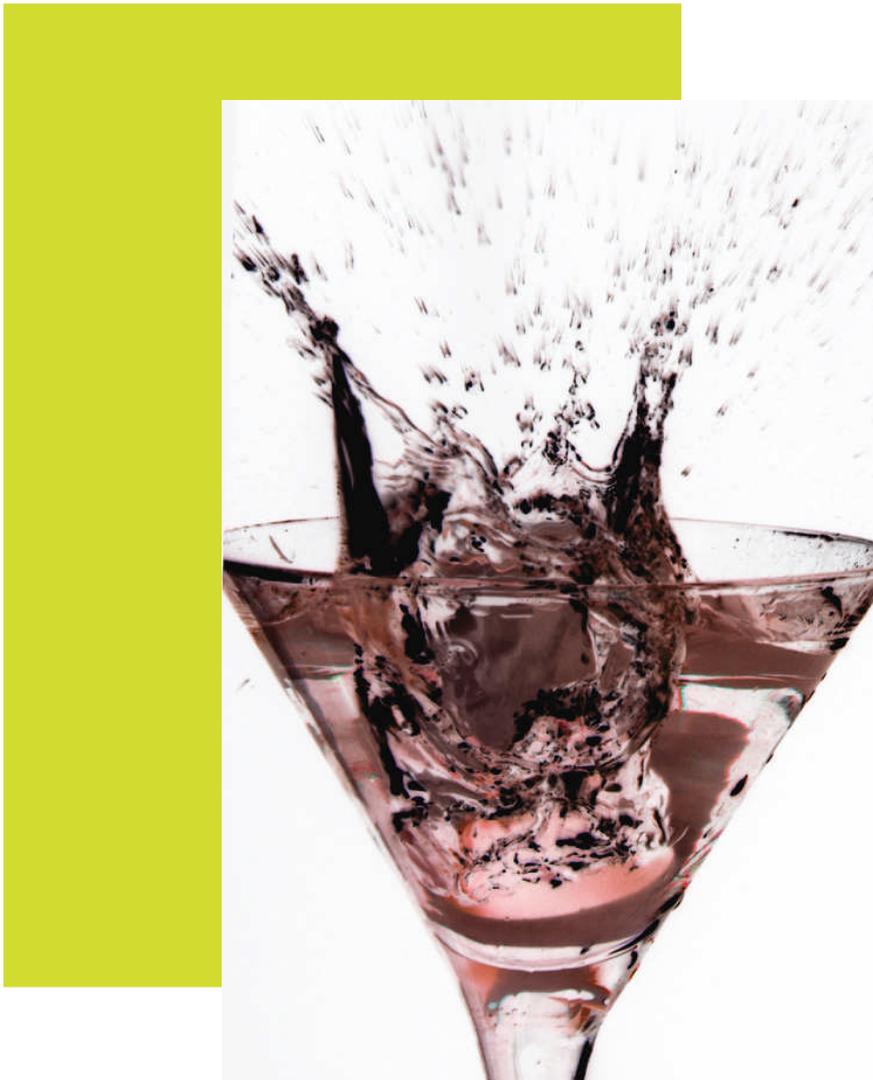


Drinks with a Boost: Alcoholic Energy Drinks Trends in Alcohol Marketing



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Introduction

After the raise of energy drinks in the nineties, we can see that mixing alcoholic drinks with energy drinks such as Red Bull are increasingly popular. Alcohol producers actively make use of this trend by launching Alcoholic Energy Drinks on the market from 2003 onwards. A study by the University of Messina for which 500 students were interviewed indicated that 57 % of the Italian students consumed energy drinks; nearly half (48 %) of these reported mixing energy drinks and alcohol; and 36 % had consumed that combination more than three times in the preceding month (1). Critics explain the popularity of these alcoholic energy drinks by the marketing which is believed to be highly appealing to young people (1).

Some popular canned energy drinks with alcohol that are currently on the American and European market include Sparks, Tilt, Budweiser Energy Drink, Hyphy Joose. The largest alcohol producers are behind some of these drinks. James Mosher, an attorney with the Pacific Institute for Research and Evaluation who researches the effects of alcohol marketing campaigns on youngsters, says in an interview with ABC News in April 2007 to expect that more of these alcoholic energy drinks will likely enter the market soon, as other major breweries add their own products to the mix (2).

Dangers of Alcoholic Energy Drinks

Recent research conducted by the Wake Forest University School of Medicine in May 2007 shows that college students who drink alcohol mixed with so-called "energy" drinks are at dramatically higher risk for injury and other alcohol-related consequences, compared to students who drink alcohol without energy drinks. "The researchers found that students who consumed alcohol mixed with energy drinks were twice as likely to be hurt or injured, twice as likely to require medical attention, and twice as likely to ride with an intoxicated driver, as were students who did not consume alcohol mixed with energy drinks. Students who drank alcohol mixed with energy drinks were more than twice as likely to take advantage of someone else sexually, and almost twice as likely to be taken advantage of sexually" (3).

Energy drinks mixed with alcohol are especially dangerous because the energy drink masks the level of intoxication. Caffeine, one of the active ingredients in most energy drinks, acts as a stimulant and alcohol as a depressant (4). When combined, these two substances give drinkers a sense of being alert while under the influence of alcohol. Another danger in alcoholic energy drinks is the diuretic effect of both substances. Drinkers can get severely dehydrated. In addition, the sugar in these alcoholic energy drinks will speed up the absorption of alcohol (4).



Marketing of Alcoholic Energy Drinks

We see that most alcohol producers do not use traditional marketing tools to advertise alcoholic energy drinks. Advertisement by TV and radio commercials is uncommon. Alcoholic energy drinks are targeted at young people for whom friends are very important. Suzanne Sierra, communications director Consumer Awareness & Education of Anheuser-Busch tells in an interview with KNTV about the marketing of Spykes: "We know consumers like to discover new things and be the first to share this news with their friends, so we are building interest for Spykes mainly through word-of-mouth," "This is by design to help spread the news for this brand."

For most of these caffeine drinks with alcohol, the Internet is being used as a source of information. These web sites contain an age check, depending on the legal drinking age, which could be evaded easily.

Calapai, the author of the Italian study (5.), blames advertising methods to explain the change in drinking habits in his country. "The advertising of energy drinks is addressed almost exclusively to the world of youth," said Calapai. "The colour and shape of the packaging, its presence at sporting events, and its dedicated sites on the Internet seem to be designed exclusively for young people. Add to this an increase in alcohol consumption among Italian youth, which is commonly believed to also be due to advertising that promotes a more exciting way of life that will supposedly accompany the new drinks being marketed."

James Mosher, attorney with the Pacific Institute for Research and Evaluation agrees. In an interview with ABC news (2) says "This is even more evidence of what their marketing push is," "We know that teens are heavy users of the Internet, and companies that want to market to teens use the Internet and other forms of viral marketing. "The fact that they are not using more traditional advertising venues really raises the issue: If adults are their primary market, how come they are only using the tactics that are popular with teens? This does not pass the smell test."

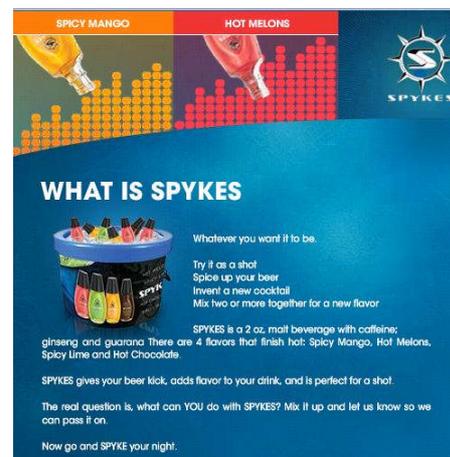
Susan Foster, vice president and director of policy research at Columbia University's National Center of Addiction and Substance Abuse is quoted in the same article of ABC news (2): "Clearly there are many, many young people online -proportionately more than older people. I don't think that's an accident."

Protest on Alcoholic Energy Drinks

The launch of energy drinks, especially in combination with alcoholic drinks, raised concerns in many countries. France and Sweden have banned the most popular energy drink Red Bull from its shelves in the supermarkets (6.). In Austria, where Red Bull originated and is manufactured, all cans are required to have a warning label telling consumers not to mix alcohol with the drink. Italy, Australia, and New Zealand require warnings as well (6.).



(source: spykeme.com, no longer online)

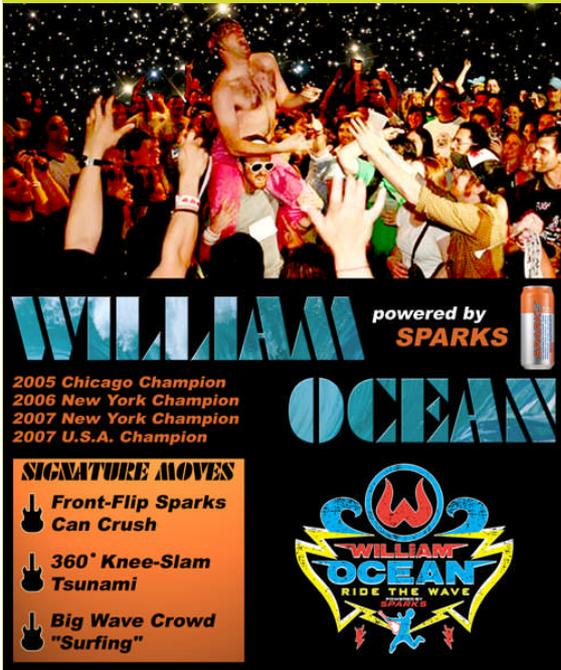


(source: spykeme.com, no longer online)

SPARKS

Sparks was one of the first caffeinated alcoholic beverages on the market and was launched in 2002. The beverage contains 6% alcohol content by volume. On August 2006 Miller Brewing has purchased Sparks.

Miller does not use traditional advertising tools to promote this beverage to consumers. There are no TV or radio commercials for Sparks. Instead, Miller is using a colourful designed web site (7), giveaways of Sparks at house parties and other gatherings, and the sponsorship of events such as art shows.



The journalist McClathy writes that Miller executives declined to discuss with reporters their marketing strategy for Sparks (8.). Randy Ransom, Miller's chief marketing officer, recently told Advertising Age that the company was trying not to "Millerize" the Sparks brand. "We've been doing mass marketing a long time, and this taught us a different way," Ransom said (9.).

Miller has hired Street Attack, to promote Sparks. The firm's Web site says its challenge for Sparks was to "authentically increase awareness" for the brand among "key influential social scenes and subcultures," to increase its perceived "cool factor," and to "create a pull from consumers in core markets." (10). This includes giving away cases of Sparks at house parties, concert backstage scenes, recording studios and art events (11).

At Sparks.com, you can view hand-drawn animation through a link to YouTube and other offbeat material (7). The Web site also includes suggestions for mixing Sparks with various drinks, nearly all of them Miller products, including Mickey's Malt Liquor (which, mixed with Sparks, is called the "Rowdy Irishman") and Miller High Life (this recipe has got the unusual name of "The Lunchbox") (7).

Additionally, there's the Sparks sponsorship of William Ocean, air guitar artist. In August 2007, he won the U.S. Air Guitar Championship in New York with performances that include his crowd-pleasing move: a flip through the air that ends with Ocean landing flat on his back and crushing a partially consumed can of Sparks (12).



The launch of alcoholic energy drinks on the market has (especially in the United States) caught criticism by community groups. The marketing of these alcoholic drinks were claimed to use misleading messages such as "The beverages will help drinkers to stay up late and to party all night".

Xi Vodka Lime was advertised in the Netherlands in 2004 as "the energy drink with vodka & Lime". After a complaint made by the National Foundation for Alcohol Prevention (STAP) in the Netherlands, the Dutch Advertising Committee found the advertisement in breach with article 6.3 of the Advertising Code for Alcoholic Beverages (RvA) which states that: "Alcohol Advertising may not suggest that consumption of the alcoholic beverage improves physical or mental performances"(13).

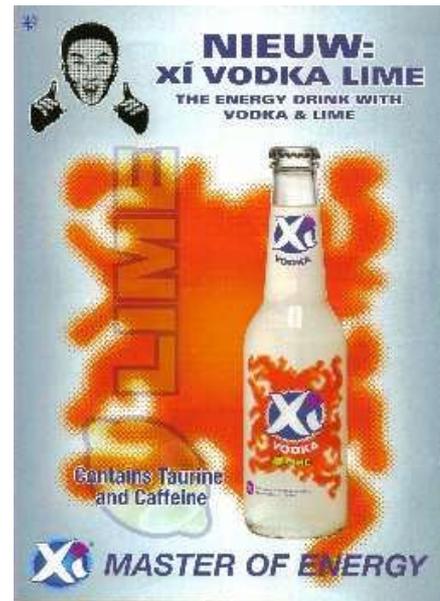
In the US, protest raised about the alcoholic beverage with caffeine named "Rockstar 21" which contains 6 percent alcohol volume. This beverage was made by the Rockstar company which also sells the non-alcoholic energy drink Rockstar. Both were sold in cans that showed many similarities.

After criticism in the media, Rockstar Energy drink decided to discontinue its Rockstar 21 product in the US in November 2007. The California Coalition on Alcopops and Youth applauded this (5). However, there are still alcoholic types of Rockstar on the market outside the United States.

Sparks and other caffeinated alcohol drinks caught some criticism in August 2007. A letter signed by attorneys general from 28 states said the drinks were sold with misleading claims. The state officials asked the federal Alcohol and Tobacco Tax and Trade Bureau to expand its efforts to prevent misleading statements from being used to sell the drinks.

Most protest possibly rose on the introduction of the drink Spykes. Anheuser-Busch decided to take its alcoholic energy drink Spykes off the market after a strong urge of 30 attorneys. After the American Alcohol and Tobacco Tax and Trade Bureau (TTB) found that the drinks were out of compliance with the alcohol marketing regulations. See the textbox for more information about Spykes.

Photo: Advertisement of Xi Vodka Lime, the Netherlands, 2004 (source: www.alcoholreclame.nl)



Left: Non-alcoholic Rockstar

Right: Alcoholic Rockstar

SPYKES

Spykes by Anheuser-Busch is a malt beverage with 12 percent alcohol content. It offers the same fruity flavours (mango, lime, melon, chocolate), caffeine boost and herbs ginseng and guarana as many other alcoholic energy drinks currently on the market. According to the advertisement Spykes "gives kick to your beer, flavour to your drink, and is a perfect shot." Additionally, it "spykes up your night". The innovative bottles are colourful and about the size of a nail polish bottle.



Spykes has been targeted by alcohol industry watchdog groups (Center for Science in the Public of Interest (14) and Marin Institute (15) as being marketed to underage customers. According to some critics, the size, the kid-friendly flavours, and low price of the drink (75 cents to \$1 each) appeared to be aimed at teenage customers in rich urban communities. Spykes was taken off the market in 2007 after the TTB found that the labelling of Spykes was illegal mainly because people were using it for sweet sixteen parties.

Conclusion

Recent scientific literature warns for the harmful combination of alcoholic beverages with energy drinks. This combination strengthens the risks of alcohol related problems since the energy drink masks the level of intoxication. Nevertheless, this mix of drinks is very popular especially among young people. Alcohol producers make use of this demand by introducing canned alcoholic energy drinks. The launch of these new drinks comes together with innovative viral marketing practices. Examples of introduced alcoholic energy drinks and marketing practices of these drinks are described in the report. Experts are most critical about this trend since canned alcoholic energy drink can pose more of a risk to excessive drinking because they are cheaper and more convenient than cocktails obtained in bars. Community groups and watchdogs of the alcohol industry claim that the marketing of some of these new alcoholic energy drinks are misleading. Spykes and Rockstar 21 are taken off the American market, probably due to this pressure. Rockstar 21 is still available outside the United States. It is expected that more alcoholic energy drinks will be launched in the following years as a results of the increasing consumers demand.

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Trends in Alcohol Marketing

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This trend report is published by the European Centre for Monitoring Alcohol Marketing (EUCAM). EUCAM is set up to collect, exchange and to promote knowledge and experience about alcohol marketing throughout Europe.

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