

Future trends in market

[Finance](#), [Market](#)



The energy drink category is a quickly moving market. Because the demographic is relatively narrow in terms of age group, after a number of years the customer base will have shifted, which creates an opportunity to capture a larger market share, given that creative marketing is employed. There is also a growing black and Hipic teenage population in comparison to white teenagers. These groups also show higher than average consumption, 21% and 27% respectively which is compared with 15% for all adults (Mintel 2008, May)

In 2013, just 29% of all whites will be 18-34 years old, compared with 41% of Hipics and 37% of blacks. In terms of marketing strategy this can be catered to by shifting focus onto the urban and hip hop scenes for sponsorship of events and artists instead of just the rock and heavy metal scenes. Full Throttle, which is owned by Coca Cola company and is the number four brand, recently signed rapper 'Big Boi' in an attempt to target the male African American demographic (Walsh 2008)

The recent health consciousness trend has pushed companies to develop healthier varieties. Rockstar has catered for this with varieties such as pomegranate and coconut water being brought to market. For the calorie conscious there are the sugar free and zero carb versions. In this regard Rockstar has used a different strategy to Red Bull who has kept excellent market share with just 2 varieties.

There is certainly a trend towards energy drink alternatives, due largely in part to scepticism and distrust of the high amounts of sugar, caffeine and other stimulants in energy drinks. These alternatives include natural

smoothies and enhanced water which are set to steal energy drink market share with consumers looking for an energy kick in a health conscious manner. Rockstar attempted to merge the coffee and energy drink consumers by creating a hybrid energy drink 'Rockstar Roasted' that contained coffee derivatives.

Market research from Mintel (2008, July) showed 78% of users use the drinks for an energy boost, only 31% use it for taste and 22% for hydration. Interestingly, the energy drink sector has experienced growth despite the economic depression with 400% increase since 2003 (Mintel 2008, July). It's likely that the higher working pressures have created more of a demand for energy boosts throughout the day. Rockstar has attempted to address the female market with the introduction of their new variety, Rockstar Pink, which has fewer calories, comes in different berry flavours, and the can size is slimmer, which differentiates it from the beer can type.

SWOT Analysis

SWOT analysis is a strategic planning method which is useful in evaluating the internal and external factors that are favourable and unfavourable in achieving the company objectives. The internal/external and favourable/unfavourable classification creates a 2x2 matrix which can be broken down into strengths (internal, favourable), weaknesses (internal, unfavourable), opportunities (external, favourable) and threats (external, unfavourable).