Launch of a new energy drink

Business, Industries

Possible outcomes of the launch

Launching a new energy shot product presents a moral dilemma. Most energy shots are aimed at teenagers and young adults, and this target audience is known to put more trust into the ‘ street cred’ of the product, rather than medical and government advise, so there is an opportunity for carving some share of the market, especially if we deliberately exploit the ‘ rebel’ aspect of our product. On the other hand, given the ongoing media hype, there is also a chance of attracting negative publicity and becoming a scapegoat for the regulators.

Eventually, this can result in long-term reputational damage and substantial (and unpredictable) litigation costs. We could, however, turn the situation to our advantage by launching a drink that will be based on a different stimulator than the notorious mix of caffeine and guarana – as long as it is technologically viable. Such drink would comply with theFoodSafety Authority’s caffeine concentration standards and could be classified as a formulated caffeine beverage. We could then market it as a healthier alternative to the popular energy shots, so that it appeals both to the target audience and the general public.

Legal aspects

The Australia New Zealand Food Standards Code (FSC) mandates that a formulated caffeine beverage must contain 145 to 320 milligrams of caffeine per litre1 (Commonwealth of Australia, 2009). Popular energy shots do not comply with this requirement: for instance, a 2-ounce Demon Energy Shot contains 200 mg of caffeine, i. e. 3333 milligrams of caffeine per litre (Energy

Fiend, 2009). The trick here is that the producers label their drinks as dietary supplements which are exempt from the FSC requirements.

However, it is not entirely unlikely that a legal clampdown on energy shots will follow: in Australia, the government of New South Wales aims to ban non-compliant energy drinks (AAP, 2009); back in New Zealand, retailers are pressed to restrict the sale of energy shots (Voxy News Engine, 2009). Moreover, according to an industry insider, the Food Standards Authority is currently working on a new standard for food-type substances sold as dietary supplements that is likely to tackle energy shots (ScienceMedia Centre, 2009). It is thus important to think one step ahead and concentrate on developing an compliant energy shot.

Public Opinion

In order to gauge the public opinion of the energy shots, I consider the opinions of medical professionals, food industry regulators and people from the street. A recent press release by the Science Media Centre provides the professional medics' opinion on the impact of energy shots (Science Media Centre, 2009). The professional opinions vary from neutral to cautious to strongly negative. Dr David Jardine, Clinical Director of the Canterbury DistrictHealthBoard, observes that he knows " of no bad effects [of caffeine] in children and pregnant women" and confirms that " humans seem to be able to deal with caffeine very well" (ibid).

Dr. Elaine Rush, Professor at Auckland University ofTechnology, is " very concerned about the sale of caffeine in large doses" and claims that " there are more problems than benefits associated with consuming caffeine" (ibid).

However, she doesn’t launch any invectives at energy shots. Dr. Jim McVeagh, a GP, “ had to deal with a number of cases of teenagers having psychotic episodes following multiple cans of energy drinks” and claims that energy shots are “ not a benign pick-me-up [but] a stimulant drug, pure and simple” (ibid).

However, it is not clear if the ‘ psychotic episodes’ of some teenagers that ‘ followed multiple cans of energy drinks’ should be entirely attributed to caffeine. NZFSA Authority Director Geoff Allen admits that “ new regulation to restrict sale or supply of these high caffeine energy drinks is not necessarily the whole or the best answer”. He also stresses that the energy shots that have been inspected by his office “ have a caffeine advisory statement of some form, even though they're not required to” (ibid). To summarize, most medics agree that there is no clear evidence of harmful effect of caffeine onto healthy individuals.

The regulator agrees that maximum recommended usage information should be provided by the producers of dietary supplements, but this requirement is already met by energy shot producers. To gauge the sentiment of the target audience of the drinks (males aged 14-25), I questioned five anonymous respondents in the streets of Auckland on 29 – 31 October 2009. The general sentiment is that of indifference. One of the respondents, who turned out to be a bartender in a night club, expressively claimed that he “ doesn’t give a f**k” about the impact of caffeine as long as energy shots help him meet his professional and personal commitments.

Personal reflection

In my personal opinion, there is nothing unethical about launching a new energy shot. The producers make it clear that energy shots are not designed for regular and frequent consumption: they aim to give a boost of energy when it is essential (e. g. when you are late with submitting a course essay), maybe at a cost of a period poor well-being after the effect of the shot wears off. The producers also make it clear that persons with poor caffeine metabolism or other health issues should consult adoctorbefore consuming a drink. Nippert & Gray (2009) make the case of a woman who suffered a heart attack as a consequence of regular consumption of 10 to 14 cans of Red Bull a day to shoot invectives at energy drinks.

However, this case hardly supports their cause: even regular consumption of 10 to 14 blocks of chocolate can eventually send one to the intensive therapy ward. I am totally convinced that it is not the substance that should be controlled, but rather the urge to abuse it. As for the children, it is their parent’sresponsibilityto control that they do not take in unhealthy doses of potentially harmful substances, be it aspirin, alcohol, or energy shots.