

# The Energy Era

**Move over Mountain Dew. Hit the road cup of joe. Energy drinks are taking the U.S. beverage industry by storm, making a significant dent in the soft drink and coffee categories.**

**IN THE PAST FIVE YEARS**, energy drink sales have increased an unprecedented 516 percent and, with the emergence of 270 new energy drinks just within the last year, show no signs of slowing down any time soon.

The energy drink market is currently a \$5 billion industry and is projected to double to \$10 billion by 2011. In fact, the soft drink industry actually saw a one percent lag while their energy-laden counterparts trumped their sales by 50 percent in 2006. For many consumers energy drinks are the new coffee.

## **Filling the Generation Energy Gap**

Companies mass-market their energy drinks, targeting consumers who are constantly on-the-go and looking for a convenient energy boost to get them through their hectic days. College students studying for exams, working parents, party-goers and athletes alike turn to energy drinks when they want that instant pick-me-up.

Lori, mother of two teenagers, says “My day begins at the crack of dawn and doesn’t end until 10pm. After I put in 8 long hours at the office, I pick up my kids from school and drop off my son at baseball practice and take my daughter to her part-time job. Then I get home, feed the dogs, throw in a load of laundry and make dinner. My husband brings the kids home on his way home from work, we eat, and before you know it, it’s bedtime. In order to have the energy to get everything done, I grab an energy drink.”

Energy drinks boasting names like Monster, Red Bull and Rock Star are a mainstay amongst the teenage generation, so





## Who Says Size Matters?

New products are entering the market at a rapid pace with the latest way for getting an energy buzz through a typical 2 or 3-ounce energy shot. The down-sized, concentrated version of the formula found in energy drinks delivers an instant burst of energy, lasts for several hours and provides a convenient, portable product that can be tossed into a pocket, purse or gym bag.

The energy shot market was \$100 million strong in 2007 and sales are expected to surpass \$500 million this year, with the leader being the 5-Hour Energy brand, whose sales sky-rocketed 400 percent in 2007.

Energy shots target a slightly different audience than energy drinks, but the segment often overlaps, especially when used in a shot-and-chaser strategy. Shot products are convenient for an on-the-go lifestyle and are usually higher in stimulants such as caffeine, appealing to weary travelers, gym-goers and those who need a burst of energy in a small dose.

much so that in 2008, a whopping 35 percent of teens consumed energy drinks compared to only 15 percent of adults—although both demographics have drastically increased their energy drink intake since 2003.

The quick boost of energy is ideal for teens with busy schedules and active lifestyles consisting of school, homework, sports, hanging out with friends, and part-time jobs.

### Bad vs. Good

Getting the desired energy that today's maxed out consumer needs is not always a healthy feat. Most energy drinks are saturated with sugar and have upwards of 300 mg of caffeine, equivalent to about 3 cups of coffee, which is why some people feel an "energy crash" just a few short hours after consumption.

"In order to get through my last classes of the day, I down a Monster during lunch but when that wears off I'm more tired than ever and can barely get my

homework done after school. And I know all that sugar isn't good for me." says high school Junior, Chase Vaswani.

When choosing an energy drink, it's important to read the label. Look for vitamins, especially those in the B range, which supports vitality and the body's defenses. Vitamins A, B, C and D are known to support overall health. Human bodies don't store most vitamins so it's important to replenish these nutrients to avoid deficiencies.

It's also important to look at the calorie and sugar content of these drinks. Beyond being unhealthy, too much sugar and caffeine contribute to the dreaded energy crash that accompanies many of the typical energy drinks on the market.

### A Healthy Alternative

Believe it or not, there are healthy brands of energy drinks on the market. Take **Verve** for instance, whose

## What Are the Numbers?

### Instant Energy Shots

- In 2007, the energy shot industry brought in \$100 million.
- Sales expected to grow to \$500 million by the end of this year.
- Contain little to no sugar so “crashes” are avoided.
- Low in calories but high in stimulants.

Source: *BevNet.com April 30, 2008*

### Getting the Most from an Energy Drink

- **Vitamins A, C and D**—should be consumed on a regular basis to avoid deficiencies. These vitamins are important for supporting eye and bone health and the body’s defenses.
- **B Vitamins**—support vitality and the body’s defenses.\*
- **Minerals**—help support the health of organs, bones and overall well-being and vitality.\*
- **Antioxidants**—found in green tea, aloe vera and mangosteen, help to defend against harmful free radical effects.\*

### Energy Market Stats

- According to research firm, Mintel, the energy drink market is at

- \$4.8 billion and represents a 400% growth rate from 2003 figures.
- 9% of adults consumed energy drinks in 2003, increased to 15% in 2008.
- 19% of teens consumed energy drinks in 2003, increased to 35% in 2008.
- In the U.S., 80 new energy drinks launched in 2003.
- 187 new energy drinks launched in 2007.
- 270 new energy drinks launched in 2008.

Source: *Natural Products Insider August 26, 2008*

### No Energy Shortage

Foods containing taurine, ginseng, guarana and caffeine consumed everyday are entering the market and becoming energy drink alternatives:

- Granola bars
- Cereal
- Instant oatmeal
- Chips
- Sunflower seeds

Source: *Natural Products Insider August 26, 2008*

Arizona-based manufacturer **Vemma**<sup>®</sup> touts it as providing “insanely healthy energy.” Verve comes in two options—an 8.3 ounce can or a 3 ounce shot—both packed full of vitamins, minerals and antioxidants including organic green tea and glyconutrient-rich aloe vera. Both are available in low natural sugar and sugar-free options.

Perhaps the most interesting yet beneficial ingredient in Verve is the southeast Asian exotic fruit—the mangosteen. Although the fruit itself is quite odd-looking, it has been clinically-studied to show that its antioxidants, essential nutrients and beneficial properties truly make it the “queen of all fruits.”

“We created Verve for the younger generation as a healthy alternative to the other energy drinks on the market. Not only has it caught on with the teenagers but also their parents,” says BK Boreyko, President and CEO of Vemma Nutrition Company. “It creates a common ground between kids and their parents,

providing health-promoting ingredients that parents approve and a delicious flavor kids can’t resist.”

### The Future of Energy

The fast-paced American lifestyle is accelerating at warp-speed as more and more activities are packed into a 24-hour day. Getting less sleep, improper nutrition and lack of exercise may result in a population sapped of energy.

In an attempt to offset this effect, many are turning to energy drinks for that extra boost. Often, what’s in that can—too much caffeine, sugar and calories—ends up making the body feel worse rather than better. The real future of energy drinks is offering healthier alternatives that bring more than just a temporary buzz. **TFC**

\*These statements have not been evaluated by the Food and Drug Administration. These products are not intended to diagnose, treat, cure or prevent any disease.  
\*\*Individual results may vary; you may not do as well.