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Category Analysis

The energy drink market started in 1997 with the introduction of Red Bull. Growth has been constant and impressive with hundreds of new products now available. Sales growth slowed to 8.5% in 2008 due to a few factors:

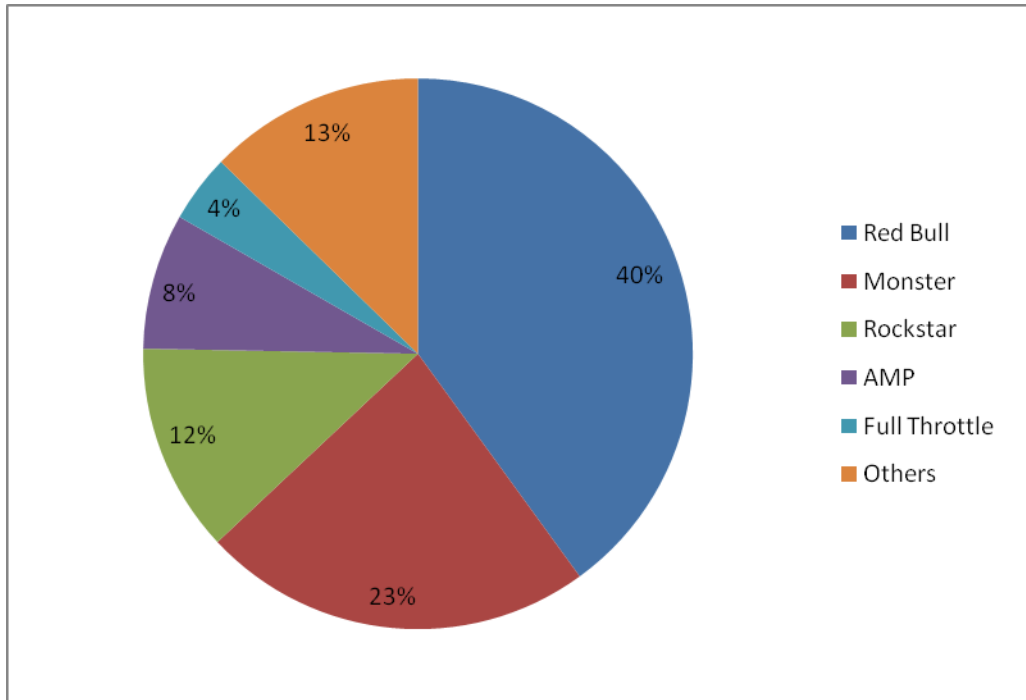
- The economic recession is impacting the market
- Energy shots emerged in 2008 and performed strongly
- Potential dangers are affecting usage

The current beverage trends are continually being shaped by the “health & wellness” goals and desires of consumers. These consumer demands for health-promoting products are defining product lines and strategies. Low calorie, natural sweetness, real fruit, and a low glycemic index with measurable health benefits are the target goals for each product decision.

Products that tout benefits against the “hang-over” and their ability to regenerate energy in the body are becoming a quickly growing trend. The recovery drinks have not yet hit their stride for a number of reasons:

- Lack of consumer education
Red Bull explained their energy drink really well offering the education towards consumers. Newcomers are struggling to get their message across.
- Beverage market in general
It is hard to establish a category unless it can build itself towards a critical mass.

Energyfiend.com shows 2008 % of dollar sales show Red Bull still far ahead of the competitors. Monster, Rockstar combined still do not equal sales of Red Bull.



Drink	Share of Energy Drink Market (% of dollar sales) 2008
Red Bull	40
Monster	23
Rockstar	12.3
AMP	8
Full Throttle	4
Others	12.7
NOS	1.5
No Fear	1.4
Private Label	1
SOBE Adrenaline	0.7
Vitamin Energy	0.5
SOBE Lean	0.5
Venom	0.44
Jolt	0.4
Go Girl	0.4



Brand Overview



G-Tox

G-Tox is considered a “hang-over” shot relying on Glucarate, a liver detoxifier. It is currently being tested in San Diego, Boulder, and Austin.



Code Blue

Code Blue is a recovery drink designed to revive your body. Duane Reade will carry Code Blue in the New York City locations.



Rehab

Rehab is being marketed as a less caloric hangover-easing beverage that still tastes good. A recent re-launch of their new product containing 25 calories per 12 oz and will become the official drink of the Hard Rock Hotel and Casino.



Alcohol Killer

Alcohol Killer is marketed as an anti-hangover and alcohol metabolism enhancer by reducing the toxic acids created by the liver from alcohol.



Function

Urban Detox cleanses the lungs and sinuses of airborne particulates and fights hangover physiology. Urban Detox can be found in Duane Reade in New York, Whole Foods, and Target stores.



Red Bull

Red Bull is marketed as an energy drink and its ability to increase endurance. Based on a liquid containing caffeine and taurine and is currently receiving bad press for its mixture of vitamins and glucuronolactone.



Rockstar

Rockstar is the world's most powerful energy drink. Enhanced with the potent herb Milk Thistle, Rockstar is scientifically formulated to provide a boost for exhausting lifestyles.



G2

Low-calorie drink from Gatorade packed with vitamins and electrolytes.



Urban BUZZ

My product "Urban BUZZ" is a beverage offering health benefits (vitamins and minerals), energy (carbs), and recovery (electrolytes) all combined into a single drink. Plain water and sports drinks do not provide the electrical charge needed by the heart, lungs, and nervous system to function in sync.

- Health
 - Contains Antioxidants to Fight Free Radicals
 - All Natural Flavors
 - No Preservatives
 - Anti-inflammatory Ingredients (Prickly Pear Extract)
 - Low Calorie
 - Enhanced with 8 Vitamins
 - Reduced Sugar
 - No High Fructose Corn Syrup
- Energy
 - Carbohydrates
 - Caffeine Free
- Recovery
 - Electrolytes for Heart, Muscles, and Nervous System
 - Reduces Headaches
 - Overall Fluid Replenishment

I chose the words "Urban BUZZ" because it identifies with consumers' wants and needs.

When you look at the consumers, the target markets to consider are males between ages 21 and 32 representing a young, active, energetic adult group living in urban environments with active lifestyles. This group is specifically medium to high income, looking for the next hot thing and love being seen as trendy and hip.

They love socializing, sporting events, parties, and casual drinking. The energy drink market is viral, thanks to youngsters, ravers, computer nerds and athletes who have discovered this new fast, cheap and legal way to get a buzz.

Others want to be caught swallowing a can because of its designer status. There is a ton of proof that energy drinks like "Red Bull" are big in celebrity circles. As a result, the club-goers are paying twice as much to swill them like rock stars in nightclubs.



Urban BUZZ Broad Positioning

As the energy and recovery drink boom continues, having a product that offers health benefits is clearly needed. My focus will be to show how Urban BUZZ will provide the body a quick recovery from:

- Physical Exercise
 - Replenish Liquids
 - Replenish Minerals and Vitamins
 - Replenish Electrolytes and Antioxidants
- Late Nights
 - Instant Energy
- Alcohol Consumption
 - Replenish Liquids
 - Minimize Hangovers

My goal would be to become number one to entrench Urban BUZZ in everyone's mind. It is easy for customers to remember the number one. RED BULL had 40% of dollar sales for the energy drink market in 2008. Being in the number one position may be difficult at first, but using the uniqueness of a recovery and energy drink can provide the foundation and differentiator to become number one in a unique category.



Urban BUZZ Specific Positioning

Recovery is the KEY!

Electrolytes and minerals are involved in most cellular activities and assume a major role in metabolism. Electrolytes also have multiple functions such as holding fluids in the body and maintaining a normal acid-base balance. Sodium, potassium, and chloride are typical electrolytes that are capable of conveying electrical impulses that the body, nervous system and muscles use to keep an efficient overall balance.

As a person drinks alcohol, the body changes digestion and absorption patterns, thus affecting the electrolyte presence in the body. One can say, if you provide a quicker recovery, the body is ready to do it again the next day. This is a very youthful minded (invincible) strategy to say the least.

Exercising also reduces sodium and potassium levels in the body through sweat. As the kidneys work to maintain electrolyte levels in your body, electrolytes ultimately need to be replenished.

Mix the electrolyte with minerals and vitamins using all natural ingredients and you have the ultimate health conscious recovery drink.

“Urban BUZZ for the QUICKEST HEALTHIEST RECOVERY”



Urban BUZZ Value Positioning

A cup of coffee or the fading sugar energy drinks which typically leaves you with a sudden crash or depletion of energy soon after drinking. The answer is almost always, go get another. Many people drink a lot of sodas, as a result can spend a lot of money to maintain their energy or buzz. For the price of one Urban BUZZ, you can drink a more substantial and useful beverage providing results that last a half day or longer. From a total cost perspective one Urban BUZZ may be a tad more than one coffee or soft drink, but after a few coffees, sodas, the savings simply grow.

Although many sizes are offered by the competitors, a majority of energy drinks are offered in the most common size and price of 8.4oz for \$2. By matching this configuration it allows for a "more for the same" strategy.

"Urban BUZZ for the QUICKEST HEALTHIEST RECOVERY"



Urban BUZZ total Value Proposition

As people lives continue to become busier with daily activities and schedules, stress and fatigue quickly fall into play. For most people, anything to maintain health and youth is considered a good thing. As a result, a “stimulant” is an easy way to tackle a busy day. Energy drinks provide that stimulant because a drink is quick and easy and most of all easily accessible and convenient.

- Quick Recovery
- Healthy Natural Ingredients
- Instant Energy
- Help relieve fatigue
- Enhance mental alertness
- Improve Physical Performance
- Electrolyte Replenishment
- Anti-Oxidants to Fight Free Radicals
- Quick Fix without Recognizable Side Effects
- Vitamin and Minerals
- Stimulant
- No Artificial Colors