

Energy Drink Self-Regulation by Cara Wilking, J.D.

July 29, 2013



Introduction

The marketing, promotion and consumption of energy drinks alone or mixed with alcohol raises public health and consumer protection concerns. The State Attorney General for New York is currently investigating major energy drink makers and the Food and Drug Administration released reports of injury and death associated with energy drink consumption. This issue brief discusses energy drink industry compliance with the American Beverage Association's Energy Drink Marketing guidelines. A review of publicly available energy drink marketing materials from the year 2012 found that energy drinks continue to be marketed as mixers with alcohol and to counter the effects of alcohol and are often marketed in ways that foster confusion with sports drinks. This is especially troubling given that these marketing practices have been identified by the industry's own trade organization as particularly egregious.

American Beverage Association Energy Drink Marketing Guidance

The American Beverage Association (ABA) is a trade association representing companies that manufacture and distribute non-alcoholic beverages in the United States.¹ ABA members include energy drink manufacturers and distributors.² In early 2011, the ABA developed and adopted *Guidance for the Responsible Labeling and Marketing of Energy Drinks* (ABA Guidance).³ The ABA Guidance is divided into guidelines for (1) the labeling of energy drinks, and (2) the sale and marketing of energy drinks. The labeling guidelines focus on disclosure of caffeine content, alcohol-related claims and a warning for children and caffeine sensitive individuals.

The marketing guidelines state the following:

- 5. Energy drink producers should not promote energy drinks for mixing with alcohol nor should they market energy drinks to counter the effects of alcohol consumption.
- 6. Energy drinks are functional beverages which differ from sports drinks and therefore should not be marketed as sport drinks.
- 7. Energy drinks should not be sold nor marketed in schools (K-12), as set forth in ABA's School Beverage Guidelines and in its statement regarding the Sale of Energy Drinks in Schools.
- 8. Energy drinks should not be marketed to children, as set forth in ABA's commitment to the Global Policy on Marketing to Children.⁴

The ABA regularly references its self-regulatory efforts in press releases and statements when it defends its member companies from energy drink criticism. This issue brief focuses on marketing guidelines involving alcohol (#5) and preventing sports drink confusion (#6).

Top Energy Drink Brands and ABA Membership

The ABA Guidance is applicable to member companies. The top selling energy drink brands are Red Bull, Monster, Rockstar, NOS, Amp and Full Throttle.⁵ Each brand consists of a variety of products (e.g. Rockstar Energy and Rockstar Recovery) that can come in a variety of flavors (e.g. Rockstar Recovery Grape and Rockstar Recovery Orange). Many energy drink brands started as independent companies separate from the bottling and distribution networks of the Coca-Cola Company (Coke) and PepsiCo. (Pepsi). Of the top six energy drink brands, only Red Bull remains independent from Coke and Pepsi. Red Bull, NOS, Amp and Full Throttle brands are covered by the ABA Guidance by virtue of their parent company's ABA membership, and Monster and Rockstar may be covered by virtue of their main distributors' ABA membership. The following table summarizes the ABA membership status of the top six energy drink brands:

Brand Ranking ⁶	Brand	Parent Company	Distributor	Parent Co. ABA Member ⁷	Distributor ABA Member
1	Red Bull	Red Bull North America, Inc.		X	
2	Monster	Monster Beverage Corp.	Coca-Cola Co.8		X
3	Rockstar	Rockstar International	PepsiCo. ⁹		X
4	NOS	Coca-Cola Co.		X	
5	Amp	PepsiCo.		X	
6	Full Throttle	Coca-Cola Co.		X	

Problematic Energy Drink Marketing Practices

ALCOHOL

The ABA Guidance states that "[e]nergy drink producers should not promote energy drinks for mixing with alcohol nor should they market energy drinks to counter the effects of alcohol consumption." ¹⁰ Common marketing tactics used to promote energy drinks do not align with the ABA Guidance. Energy drinks are promoted to be consumed with alcohol through marketing: (1) on college campuses; (2) via social media campaigns focused on consuming energy drinks while "partying;" (3) through the distribution of point of sale marketing materials to bars, clubs and music venues; and (4) the direct marketing of energy drinks to bartenders for use as mixers. This section will focus primarily on Red Bull as it is the top selling energy drink brand and is a full ABA member.

Marketing on College Campuses

In a 2010 newspaper interview, Red Bull marketing chief Amy Taylor said: "For brands like caffeine-stoked Red Bull, the college crowd isn't the gravy, it's the meat....Think about college life...It's made up of five main activities: study, work, play, party and, if there's time, sleep. Our product can help with four of those five."

Despite the 2011 ABA Guidance, Red Bull continues to focus on the college crowd. Red Bull markets on college campuses through its Red Bull University program and its Wings Team:

Red Bull University recruits and employs over 300 college-aged people to be on-campus marketers called Student Brand Managers (SBMs). ¹² According to the Red Bull University website, "[t]he goal of an SBM is to bring the Red Bull brand to life in the world of all things college. It can be as simple as providing Red Bull for a party, or... it can go a whole lot further." Red Bull also produces "hacks" (guerrilla marketing) for SBMs to conduct on college campuses. One hack instructed SBMs to place a clear-front red paper box that looked like a fire alarm full of cans of Red Bull on campus for other students to discover. The box said "In case of party" (Attachment 1). SBMs also organize Red Bull sponsored events. Some of these events are large parties where a Red Bull DJ, marketing materials and products are provided (Exhibit A).

Red Bull Wings Team members are young women who conduct product sampling "missions" to distribute free Red Bull in a variety of settings. A Red Bull-produced recruiting video depicts an average Wings Team day. On the video, two women distribute Red Bull at parks, universities and workplaces. Their workday ends at a college-aged party where Wings Team members distribute cans of Red Bull and partygoers are shown dancing holding cans of Red Bull and red Solo-style cups.¹⁴

Similarly, Monster Energy uses its Monster Girls to market its products and employs Monster brand ambassadors.

Rockstar Energy uses its Rockstar Nation network of 200 "college brand ambassadors" in the US and Canada to market its products on campuses.

16

Social Media

Rockstar Energy maintains a Facebook page with over 1 million "likes." On Friday and Saturday nights, Rockstar has posted party-themed messages on its wall with the hashtag #partylikearockstar. On September 29, 2012, Rockstar's wall post was "It's a Saturday night! Grab a can. #partylikearockstar" (Exhibit B).¹⁷ Rockstar also has a dedicated Facebook page for college students called "Rockstar Nation." Rockstar Nation uses peer promotion strategies to deliver free

samples on college campuses. The page features a number of recent photos of fraternity and sorority houses with members holding up cans of Rockstar and accompanying descriptions like: "Rockstar college ambassadors are back at it again!;" "University of Arizona ambassador, Max Klein is getting the party started with Delta Gamma during Rush week!;" "SDSU knows how to bring the party the first week back!" (Exhibit C).¹⁸

Marketing in Bars, Clubs and Music Venues

Red Bull openly promotes its energy drinks at establishments that also sell alcohol through its Red Bull Musketeers staff. Musketeers conduct "on premise" marketing at bars, clubs and music venues. According to the Red Bull Musketeers recruiting webpage:

Red Bull Musketeers build strong relationships with 'On Premise' accounts. These are establishments where someone would buy and drink a Red Bull, including bars, clubs and music venues. By combining finely-honed organizational skills with infectious enthusiasm, Red Bull Musketeers operate as true ambassadors of the Red Bull brand.¹⁹

According to Red Bull, "On Premise is Red Bull's #3 driver in brand awareness and trial." A series of Musketeer recruiting videos shows a Red Bull Musketeer delivering point of purchase marketing materials like Red Bull branded mini-fridges and neon signs to bars (Exhibit D).

Marketing Energy Drinks to Bartenders for Use as Mixers

Red Bull also overtly promotes its energy drink to mix with alcohol. A Musketeer recruiting video shows a bartender placing a can of Red Bull on a shelf with his line-up of vodka bottles during a visit from a Red Bull Musketeer (Exhibit E). In another section of the video, a Musketeer is shown meeting with bar staff and training a bartender to conduct "the perfect serve" by pouring vodka on the rocks and serving it with a can of Red Bull (Exhibit F). The bartender then practices with a few patrons, who are shown pouring the energy drink into the vodka and drinking it (Exhibit G). According to Red Bull:

A Musketeer is responsible for driving Red Bull sales and ensuring perfect On Premise execution. By educating and inspiring excitement for the Red Bull brand, Musketeers positively influence the way bartenders and staff think, promote and serve Red Bull. Proper execution of the Perfect Serve is an example of this positive influence.

Red Bull describes a successful Musketeer as follows:

At the end of the day, nothing is more rewarding to a Musketeer than seeing the results of their hard work-a perfect venue. The bartenders are utilizing the Perfect Serve, there are Red Bull cans in people's hands and the party is off the hook. And no matter where you look, you can't miss Red Bull's impact.²¹

The overt marketing of Red Bull to bartenders to use the product as a mixer violates ABA Guidance that "[e]nergy drink producers should not promote energy drinks for mixing with alcohol."²²

Countering the Effects of Alcohol

The ABA Guidance also states that energy drinks should not be marketed "to counter the effects of alcohol consumption." Monster Energy's "Rehab" line of drinks purportedly "bring[] you back after a hard days night." Rockstar Energy's "Recovery" line of drinks recently were promoted on its Facebook page through a wall post that stating: "Prepping my stash of Rockstar Recovery because tonight I'm _______" (Exhibit H). Red Bull also tells consumers on its "When to Drink Red Bull Energy Drink" webpage that Red Bull should be consumed "[w]hile going out day and night." The webpage tells consumers that "[h]aving maximum fun at a long lasting club session or a house party requires robust physical endurance," and "[l]ast but not least, a can of Red Bull is a good pick —me-up before heading home." The clear implication of these marketing statements is to promote energy drink consumption to counter the effects of alcohol.

SPORTS DRINK CONFUSION

The ABA Guidance states that "[e]nergy drinks are functional beverages which differ from sports drinks and therefore should not be marketed as sport drinks." Energy drinks are "functional" in that the caffeine and other ingredients are

supposed to provide some benefit to the user in terms of concentration and alertness. Sports drinks are meant to provide hydration during and after physical activity. There are two main ways that energy drink makers foster confusion between their products and sports drinks: (1) promoting the use of energy drinks during physical activity (as opposed to before engaging in physical activity); and (2) the inclusion of products in energy drink brand portfolios that tout benefits like "recovery," "hydration," and "electrolytes"—claims traditionally associated with sports drinks.

Promoting Energy Drink Consumption During Physical Activity

Somewhat surprisingly, Red Bull changed its FAQ addressing when to consume its products since the ABA Guidance in a way that fosters sports drink confusion. Its prior FAQ told consumers to consume the product before the start of physical activity, but its current FAQs on the subject state that "Red Bull Energy Drink can be consumed before, during and after physical activity."²⁹ Its prior FAQ stated:

WHEN SHOULD RED BULL® ENERGY DRINK BE CONSUMED?

Whenever you need to boost your energy or concentration! To best feel its effects, you should drink it at times of increased mental and physical strain, for example, on long sleep-inducing motorways, during intensive working days, prior to demanding athletic activities or before tests and exams. It is recommended to drink one can of Red Bull® Energy Drink before the start of a concentration task, the start of a race or game in sports.

Since Red Bull[®] Energy Drink has not been formulated to deliver re-hydration, we encourage people who engage in sports to also drink lots of water during intense exercise.³⁰

Red Bull's current FAQs on the topic state:

In general, when should Red Bull Energy Drink be consumed?

Whenever you strive to be focused physical or mentally and need to boost your concentration.

Red Bull shows its effects when you drink it at times of increased mental and physical strain, for example, during intensive working days, on long sleep-inducing motorways, prior to demanding athletic activities or before tests and exams.

Red Bull Energy is perfect to be consumed before activities that require concentration or physical endurance, like preparing to take the stage and play, ramping up for a sports competition or getting ready to kick off a fun night out. It takes about thirty minutes for Red Bull's benefits to take effect in the body.

Are there any particular recommendations for how Red Bull Energy Drink should be consumed during sports?

The use of Red Bull Energy Drink in sports varies depending on the athlete and the type of sport. Red Bull Energy Drink can be consumed before, during and after physical activity.

Before: Many athletes drink 1 can of Red Bull Energy Drink half an hour before training or competing – allowing them to focus and ensure fast reaction times.

During: Those performing in intense endurance sports often prefer to consume 1-2 cans of Red Bull Energy Drink during an activity, together with adequate amounts of water. This is often beneficial to team sports that have a half-time.

After: Other athletes use 1 can of Red Bull Energy Drink after competing or training to aid recovery.

Red Bull Energy Drink is not a fluid replacement and has not been formulated to deliver re-hydration. Water should be consumed in addition to Red Bull Energy Drink during exercise.³¹

While water for hydration is mentioned, the expansion of the recommended use of Red Bull from a pre-exercise functional beverage to one to be consumed "before, during and after" physical activity fosters confusion with sports drinks.

Rockstar Energy has also embraced the "before, during and after" sports approach to marketing its products. It recently hosted a contest on Facebook asking customers to enter photos of how they use Rockstar beverages in their workouts.

The winning entry was a picture of Rockstar Zero Carb, Rockstar XDurance and Rockstar Recovery in front of a set of weights (Exhibit J). The Rockstar moderator wrote, "Congrats[]! You've found the key necessities for a Rockstar workout." ³²

Energy Drink Products Touting Hydration, Electrolytes and Recovery

As the major energy drink brands have grown they have expanded their portfolios to include products that make claims about hydration, electrolytes and recovery. The following energy drink products specifically reference hydration, electrolytes, and recovery on product packaging and in marketing materials:

Amp Energy Active produced by PepsiCo. states on the can that it contains "caffeine and elctrolytes." According to the Amp Energy website, "[t]his [Amp Energy Active] ain't no ordinary lemonade drink. It's got caffeine and electrolytes†. Like you, it's a full-on multi-tasking, no-friend-of-fatigue dynamo. AMP Energy Active hydrates and helps you power through the day. Seriously, it's no sweat.† Electrolytes added for taste" (Exhibit H).³³

Monster Energy Rehab is available in Green Tea, Rojo, Tea+Lemonade, Orangeade, and Protean flavors. The cans of all of these products state "Revive. Rehydrate. Refresh" and are described as "deliver[ing] a triple threat that quenches thirst, hydrates like a sports drink, and brings you back after a hard day's night."

Rockstar Recovery in flavors Original, Grape and Orange states on the can that it contains "Energy + Hydration." According to the Rockstar website, "ROCKSTAR RECOVERY is designed for those who need a strong energy boost when it counts - plus maximum recovery and hydration. B-Vitamins, caffeine, electrolytes, and ROCKSTAR's potent herbal blend are formulated to deliver that extra kick. Fully refreshing lemonade flavor made with real lemon juice, RECOVERY is smooth, powerful and easy to drink."34

All of these products directly conflict with ABA guidance that energy drinks "should not be marketed as sport drinks." 35

Conclusion

Major energy drink makers and their distributors fail to comply with ABA Guidance developed to ensure the responsible marketing of energy drinks by prohibiting promotion of energy drinks for mixing with alcohol or to counter the effects of alcohol consumption, and to refrain from marketing energy drinks as sports drinks. In order to avoid misleading the public any further as to its members' business conduct, the ABA should desist from referencing these guidelines when defending its members from public criticism of energy drink marketing until the situation is remedied.



at Northeastern University School of Law

102 The Fenway Cushing Hall, Ste. 117 Boston, MA 02115

Contact Us!

Phone: 617-373-2026 E-mail: cp@phaionline.org

EXHIBIT A

Red Bull Sponsored "Clam Jam" party, Fairfield University, Fairfield, CT (http://www.youtube.com/watch?v=zwOoDAUhw1w)



EXHIBIT B

Rockstar Energy Facebook Wall Post, Sept. 29, 2012 (https://www.facebook.com/rockstar)



It's Saturday night! Grab a can. #partylikearockstar



Like . Comment . Share

278

5,623 people like this.

EXHIBIT C

Rockstar Nation Facebook Wall Post, Sept. 6, 2012 (http://www.facebook.com/RockstarNation?fref=ts)





Rockstar college ambassadors are back at it again! University of Arizona ambassador, Max Klein is getting the party started with Delta Gamma during Rush weekl — with Erik Jesus Chavez Amaya, Jhonny Roque, Juaan Pulido, Anibal Gabriel and Jerri Boyka.

Like + Comment + Share



2 shares



with three consequences and a consequence consequence

September 6 at 1:33pm · Like

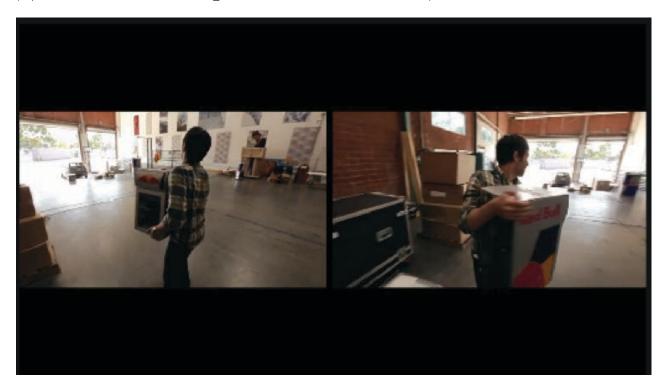
Kelly Rugg YAyyyy U of AllIII September 6 at 5:40pm - Like

Write a comment...

×

EXHIBIT D

Red Bull USA, Day in the Life of a Musketeer - Part 1 (Video) (http://www.redbullusa.com/cs/Satellite/en_US/Red-Bull-Musketeers/001243067960808)



Red Bull USA, Day in the Life of a Musketeer - Part 3 (Video) (http://www.redbullusa.com/cs/Satellite/en_US/Video/A-Day-In-the-Life-of-a-Red-Bull-Musketeer---Part-3-021243104262513)

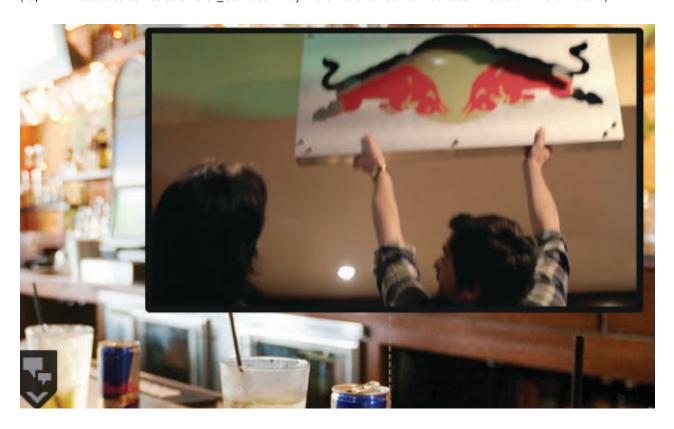


EXHIBIT E

Red Bull USA, A Day in the Life of a Red Bull Musketeer – Part 2 (Video) (http://www.redbullusa.com/cs/Satellite/en_US/Video/A-Day-In-the-Life-of-a-Red-Bull-Musketeer----Part-2-021243104251958)



EXHIBIT F

Red Bull USA, A Day in the Life of a Red Bull Musketeer – Part 4 (Video) (http://www.redbullusa.com/cs/Satellite/en_US/Video/A-Day-In-the-Life-of-a-Red-Bull-Musketeer----Part-4-021243104268483)







EXHIBIT G

Rockstar Energy Facebook Wall Post, Oct. 13, 2012 (https://www.facebook.com/rockstar)





EXHIBIT H

Rockstar Energy Facebook Wall Post, Sept. 18, 2012 (https://www.facebook.com/rockstar)



This week's #RockstarSightings winner. Congrats Justin Wilcox! You've found the key necessities for a Rockstar workout. Keep posting your sightings!



EXHIBIT I

Amp Energy, Products (https://www.ampenergy.com)



¹American Beverage Association (ABA), History, http://www.ameribev.org/about-aba/history (last visited Nov. 8, 2012).

²ABA, Active Members, http://www.ameribev.org/members/active-members/ (last visited Nov. 8, 2012).

³ABA, ABA Guidance for the Responsible Labeling and Marketing of Energy Drinks, http://www.ameribev.org/files/339_Energy%2Drink%2Guidelines%20(final).pdf (last visited Nov. 8, 2012).

⁴ld.

⁵"Consumers seek out energy boosts." Beverage Industry July 2012: SOI-5(1). General OneFile. Web. 9 Oct. 2012 (listing top selling individual energy drink products for April 2011-April 2012).

hl⁹

ABA, Active Members, http://www.ameribev.org/members/active-members/ (last visited Nov. 8, 2012).

⁸"US: Coca-Cola Co quells talk of Monster Beverage Corp buy." just-drinks.com 1 May 2012. General OneFile.

⁹"PepsiCo agrees to master distribution deal with Rockstar Energy Drink brand." Nation's Restaurant News 16 Mar. 2009: 40. General One-File

¹⁰ABA, ABA Guidance for the Responsible Labeling and Marketing of Energy Drinks at 2, http://www.ameribev.org/files/339_Energy%20 Drink%20Guidelines%20(final).pdf (last visited Nov. 8, 2012).

¹¹Bruce Horovitz, Marketers get creative targeting hard-to-reach college student, USA Today (Oct. 3, 2010).

¹²Red Bull USA, Careers, http://www.redbullusa.com/cs/Satellite/en_US/001242955315482.

¹³Red Bull University, WHAT DOES A STUDENT BRAND MANAGER DO?, http://www.redbullu.com/answer_what.php (last visited Oct. 6, 2012) (emphasis added).

14Red Bull USA, Red Bull Wings Team, Get Wiiings. Give Wiings. (video), http://www.redbullusa.com/cs/Satellite/en_US/Red-Bull-Wings-Team/001242965768603; http://www.redbullusa.com/cs/Satellite/en_US/Video/Get-Wiiings.-Give-Wiiings.-021243013147111 (permalink).
 15Monster Ambassador Team, http://www.monsterarmy.com/jobs/ (last visited Nov. 8, 2012).

¹⁶Rockstar Nation, About, http://www.facebook.com/RockstarNation/ (last visited Nov. 8, 2012) (noting that "[t]he ROCKSTAR college brand ambassador program launched in Fall 2006 and we now have brand ambassadors at over 200 college and universities, including the US and Canada.")

¹⁷Rockstar Energy, Sept. 29, 2012, http://www.facebook.com/rockstar?fref=ts (last visited Nov. 7, 2012).

¹⁸Rockstar Nation, Sept. 6, 2012, http://www.facebook.com/RockstarNation?fref=ts (last visited Nov. 7, 2012).

¹⁹Red Bull USA, Red Bull Musketeers recruiting webpage, http://www.redbullusa.com/cs/Satellite/en_US/Red-Bull-Musketeers/001243067960808.http://www.redbullusa.com/cs/Satellite/en_US/001243067960808 (last visited Nov. 8, 2012).

²⁰ld. ²¹ld.

²²ABA Guidance at 2.

²³ld.

²⁴Monster Energy,Products, Rehab Rojo, http://www.monsterenergy.com/us/en/products/rehab/#!/products%3Arojo (last visited Nov. 7, 2012).

²⁵Rockstar Energy, Oct. 13, 2012, https://www.facebook.com/rockstar (last visited Nov. 7, 2012).

²⁶Red Bull USA, When to Drink, http://www.redbullusa.com/cs/Satellite/en_US/Red-Bull-Energy-Drink/001242989766321?pcs_pvt=whenandwhere2drink&pcs_cid=1242989299257 (last visited Nov. 8, 2012).
²⁷Id

²⁸ABA Guidance at 2.

²⁹Red Bull USA, Products, FAQs: Red Bull Energy Drink, http://www.redbullusa.com/cs/Satellite/en_US/Red-Bull-Energy-Drink/001242989766321?pcs c=PCS Product&pcs cid=1242989299257&pcs pvt=faqs (last visited Nov. 8, 2012).

³⁰Internet Archive Wayback Machine, Red Bull USA, Products, FAQs, http://web.archive.org/web/20101223031031/http://redbullusa.com/cs/Satellite/en_US/Red-Bull-Home/Products/011242746208542#/product-FAQs (last visited Nov. 8, 2012).

³¹Red Bull USA, Products, FAQs: Red Bull Energy Drink, http://www.redbullusa.com/cs/Satellite/en_US/Red-Bull-Energy-Drink/001242989766321?pcs c=PCS Product&pcs cid=1242989299257&pcs pvt=faqs (last visited Nov. 8, 2012).

32Rockstar Energy, Sept. 18, 2012, https://www.facebook.com/rockstar (last visited Nov. 7, 2012).

³³Amp Energy, http://www.ampenergy.com/ (last visited Nov. 7, 2012).

³⁴Rockstar Energy, Recovery, http://rockstarenergy.com/product.php?pdt=13 (last visited Nov. 7. 2012).

35ABA Guidance at 2.