

The Soft Drinks Energiser

With Sports & Energy continuing to be the fastest growing Soft Drinks sub category, currently at +12.3% and now bigger than Cola, it has now cemented its place as one of the most valuable sectors in the market, presenting retailers with massive profit opportunities.

Add to this that insight company Mintel predicts Sports & Energy will grow by 50% by 2015, and believes that it will be the only category in Soft Drinks to show consistent growth above Soft Drinks over the next four years, the opportunity is there for all to see. Red Bull expects this to be driven by an increase of household penetration, as well as increased consumption of existing Sports & Energy consumers.

Red Bull Head of Category Marketing, Doug Bairner explains: "Consider that penetration of the category is one of the lowest in soft drinks, but that the value of the category is one of the largest and fastest growing, there is a huge opportunity to grow the category further in the coming years as consumers continue to better understand the relevance of Sports & Energy drinks in their day to day lives."

WHAT'S DRIVING THE GROWTH?

One of the key category drivers is coming from size extensions versus flavour extensions. In fact, size extensions deliver 2.5 times more value to the category as consumers are becoming better educated on how to manage their energy. It's much like what has happened with the coffee market, where consumers decide on the size and type of their purchase based upon their required energy.

Doug Bairner continues: "Consumers now have a better understanding of how different sized products meet their varying energy needs, which is evident in the fact that size extensions are where the most value is being added to the category. Communicating the numerous usage occasions that Sports &



Energy drinks are relevant to will also help to show consumers the role that these products play in their hectic lifestyles, whether that's a long Bank Holiday drive to visit relatives, being on your game at work or having the energy for that hard session in the gym or out on the sports pitch."

MAKING THE MOST OF THE CATEGORY

The majority of retailers are now aware of the benefit that the Sports and Energy category can have on their business, however there are some fundamental basics that if they get right, will lead to increased sales and more cash in tills. The best example of this is stocking the right range.

Amazingly, there are 244 products in the Sports & Energy category, 99 of which are new since 2008. However, of these 99, only

two make it into the top 20 list and both are functional products; Red Bull 473ml and Monster Original. In fact, the top 25 SKUs in the category make up 80% of value sales. On too many occasions, chillers are stocked with duplication products that don't add value. These take up valuable space which could be used for the best selling lines.

Doug Bairner concludes: "It's no surprise that there are so many product launches within Sports & Energy as it's the one category which is showing consistent growth within Soft Drinks and there are lots of new brands and products vying for a slice of the action. The key thing here for retailers is that they stay focused on stocking what's driving sizeable and profitable sales, and aren't distracted by brand and flavour launches that don't meet an obvious and clearly unmet consumer need."

SPEED UP YOUR SALES WITH THE NO.1.



This summer Red Bull, the number 1 functional energy drink, have something a little special on the starting grid: Red Bull Speed Jam. It's a festival of motorsports featuring F1 World Champions Red Bull Racing, amazing aerobatics from the

Red Bull Matadors and much more. So far, so Red Bull. But what makes this event even more special is that there's only one way for consumers to be there - by purchasing specially marked 250ml cans and 4 and 8 packs. It's all part of our strategy to help

you sell even more Red Bull. The promotion is also designed to boost sales within the fastest growing soft drink category - Sports & Energy.* So let's hear it for a turbo-charged summer. Start your engines! **Red Bull gives you wings.**