Americans Get A Boost From High Energy Cocktails

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$3.2 Billion Energy Drinks Market Sees Additional Push from the Club Crowd

Chicago (April 25, 2007)-With more than $3.2 billion in sales last year, it is clear that Americans are getting a boost from energy drinks. However, the trend has been taken a step further in the nightclub set. According to a recent Mintel report, the pairing of energy drinks with alcoholic beverages has become an emerging business avenue for companies.

Mintel's exclusive research revealed that more than one fourth of adult energy drink consumers said that they mix energy drinks with alcoholic beverages. This is compared to 14 percent of the same group who say that they mix energy drinks with non-alcoholic beverages. Asian respondents had the highest percentage for mixing with alcoholic beverages, with close to 40 percent of the overall respondents representing this group. The lowest percentage for this type of mixing was seen in black respondents, representing only 15 percent of the consumers within the overall group.

Manufacturers are taking note of the trend, creating new hybrid varieties. In 2005, Anheuser-Busch launched BE, a hybrid beer/energy drink. It was not successful with consumers, but served as an opening for other companies to launch their versions of alcoholic energy fusion beverages. Last year Miller Brewing Company introduced Mickey's Stinger, a malt beverage with caffeine, guarana, taurine, and a touch of honey, in select markets. Both Rockstar and Hansen Natural Corporation also have plans to launch new hybrid energy alcoholic beverages. In the meantime, the energy drinks category overall continues to shine as a superstar performer in the beverage arena.

"Energy drinks have entered a more mature growth phase," said David Morris, analyst for Mintel. "However, because there is such a high product markup associated with energy drinks, they remain very attractive to retailers. Moreover, with its strong marketing connection to teens and young adults, the market should continue to attract a healthy number of new industry players."

According to the Mintel Global New Products Database (GNPD), close to 200 new energy drinks were introduced in the U.S. market in 2006 alone. At current prices, the market is predicted to rise to as much as $5.9 billion in the next four years.

"Hybrid beverage-- both alcoholic and non-alcoholic-- will continue to provide strong sales potential for the market overall," said Morris. "With consumer interest in a range of hybrid energy drinks, from those with soda to those with tea, more growth opportunities lie ahead."
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