

# Alcoholic Energy Drinks Talking Points



## **Marketing towards Youth**

### Making it a cheaper alternative

- Alcoholic energy drinks cost 25% less than non alcoholic energy drinks.
- Premixed energy drinks are a cheaper alternative to buying both types of beverages.
- Youth are very sensitive to price and will buy the cheaper option.

### Focusing Marketing towards certain groups

- Focusing on gamers, young party groups, hip hop and sports players.
- Names that appeal to youth like Monster, Amp, RockStar and Full Throttle.

### Youth are the main consumer of energy drinks

- 31% of 12-17 year olds and 34% of 18-24 year olds report regular consumption of energy drinks.

## **Growing Market**

### Energy Drinks

- Since 2002, when total retail sales were just \$1.2 billion, the market for energy drinks has increased nearly 440 percent overall to an estimated \$6.6 billion in 2007.
- Energy drinks are growing at an annual rate of 12 percent and surpassing \$9 billion by 2011.

### Alcoholic Energy Drinks

- The market for caffeinated alcoholic drinks is about 1 percent of the total beer industry, making its annual sales about \$1 billion.
- Miller Brewing Company and Anheuser-Busch, the two largest U.S. brewers, are the leading producers of this new alcoholic beverage category

## **Health Risks**

- Caffeine, a stimulant, masks the intoxicating effects of alcohol, which may lead to increased risk-taking which results in traffic accidents, violence, sexual assault, and suicide.
- Among the most common negative effects are increased anxiety, panic attacks, increased blood pressure, increased gastric acid, bowel irritability, and insomnia.
- American Society of Addiction Medicine, caffeine is considered an addictive drug.
- One three-year study by a Chicago poison center found more than 250 cases of caffeine overdose, with 12 percent of those requiring hospitalization and causing diabetics seizures.

Despite these health concerns, the primary focus of most research literature on caffeine and energy drinks is whether the beverages enhance performance. Largely ignored are the health repercussions of sustained consumption of high levels of caffeine and the impact of combining energy drinks with alcohol.

## **Actions Needed to be Taken by the State Government**

- 1.) Legislatures should ban or limit the availability of alcoholic energy drinks to retail outlets for distilled spirits and impose a tax surcharge with revenues used to fund youth prevention and treatment programs.
- 2.) State Alcoholic Beverage Control agencies with jurisdiction should investigate whether alcoholic energy drinks are appropriately classified as malt beverages instead of distilled spirits under applicable state laws.
- 3.) State attorneys general should initiate investigations of the marketing and advertising practices associated with alcoholic energy drinks ensuring misleading and deceptive advertising laws are enforced.
- 4.) State health agencies should address alcohol problems and assess the impact of alcoholic energy drinks on underage drinking problems in their states and should develop prevention and treatment programs.