Celsius On-the-Go

MARKETING PLAN

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Executive Summary

The marketing plan for Celsius Holdings includes research, analysis, and a strategy for the Celsius On-The-Go product line. The plan follows the format of four main components:

- Situational Analysis
- SWOT Analysis
- Marketing Goals & Objectives
- Marketing Strategy

The situational analysis begins the marketing plan with an introduction to Celsius and the On-The-Go line. Secondary research in the internal, external, and customer environments was conducted. Celsius has positioned the brand as a healthy alternative to traditional energy drinks. The On-The-Go line offers the same health benefits as well as usability.

A SWOT analysis was executed to determine any internal and external factors that could affect Celsius. The biggest strength for Celsius is its unique product offering and market position, while the greatest threats to the company are the government and industry regulations.
After analyses of the internal, external, and customer environments and any strengths, weaknesses, opportunities, and threats, our team created new marketing goals and objectives for the Celsius On-The-Go line. The overall marketing goal is to enter the new market of "Mom" using a market development strategy.

Lastly, our team developed a market strategy based on primary research data for the On-The-Go product line including the introduction of the specific target markets, product strategy, pricing strategy, distribution strategy, and integrated marketing communication strategy.

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Situational Analysis

Internal Environment

Current Marketing Goals and Objectives

The current overarching marketing objective of Celsius Holdings is to set the firm apart from competitor’s products that compete on the same shelves. Additional market goals of creating different and unique packaging for their products and maximizing the visibility of their products support the overarching marketing objective. The firm continuously evaluates the execution of these goals to align with the current trends and stand out from competitor's product offerings (10K Annual Report, 2022).

Celsius Holdings achieves the marketing objective and goals of the firm by developing brand awareness for the company from presence at sporting events, concerts, and product sampling programs to help achieve overall increased brand awareness over the firm’s product offerings (10K Annual Report, 2022). By adapting physical packaging in retail stores to promoting products at events, Celsius Holdings works to increase brand awareness and set the firm apart from competitors.

Within the firm’s mission, the company states “…global leader of a branded portfolio…” (Celsius Holdings, 2023). This phrase within the company is consistent with the company’s marketing objectives and goals. To be a global leader you need to differentiate yourselves from competitors Celsius Holdings achieves this by setting themselves apart on retailers’ shelves and increasing their brand awareness through attendance at different events.

Current Marketing Strategy and Performance

The marketing strategy of Celsius Holdings relies heavily on the firm making products available to consumers. To make the products available, Celsius Holdings emphasized the placement of their products through various distribution channels. The products are distributed through a variety of channels including convenience, grocery, vitamin specialty and drug, fitness, military, eCommerce, natural channel, vending, and mass market (Investors Report, 2023). Each channel allows for their different market segments to buy the product in the most convenient way for the customer. Furthermore, placement in the numerous physical distribution stores is critical to increase brand awareness for the products. The placement of the products typically includes investment into big and bold displays within the physical stores. Another key distribution channel for Celsius Holdings is ECommerce. Availability to buy Celsius products for online purchase as well so consumers can get the product whenever they need.

Celsius Holdings' marketing strategy for their products stresses both product line and product length. Celsius Holdings' product lines include Celsius with a product line depth of 23 flavors, Celsius Essentials with six different flavors, and Celsius On-the-go having nine flavors. The variety of products helps Celsius Holdings increase the firm's customer base by offering products that new customers will enjoy as well as retaining existing customers by creating excitement over new flavor releases (Our Brands, 2023).

For the price of the product, Celsius Holdings emphasizes their products as fitness supplements. This allows for the firm to have a slightly higher price when compared to competitors in the energy drink industry. The idea of this pricing model is the perceived quality of a Celsius beverage is higher than a typical energy drink, therefore the Celsius beverage can be more expensive.

As for the promotional strategy that Celsius Holdings uses to market its variety of product offerings, the firm uses a variety of different marketing channels to promote its products. The company uses influencers in different online spaces as well as a variety of athletes, both professional and collegiate, to promote their products (*Celsius® fitness drinks,* 2024). The company has found having people with extensive fanbases to help increase brand awareness for the company. Another promotional avenue the company uses is having both an ambassador program and campus ambassador programs (*Celsius® fitness drinks,* 2024). These two programs help Celsius Holdings reach the demographics of their younger consumers. Coupled with the firm's promotional methods through influencers and ambassadors, social media is an effective promotional tool for the company. Celsius Holdings maintains a social media presence on Instagram, Facebook, and X. Each aspect of the firm's marketing strategy aligns with the firm's market objective to separate the company from competitors in the industry.

Current and Anticipated Organizational Resources

One of the firm's most crucial resources needed to maintain stability is human capital resources. Celsius Holdings states in its 10k report that its approach to human capital resources has been pivotal in the growth of the company. This human capital resource refers to their employees, culture and engagement, DEI, and leadership of their company. The firm outlines that if faults occur in its internal company, the organization will have negative effects on sales and long-term growth. Celsius Holdings prides itself on having a great company culture and employee wages to help support the company's internal team (10K Annual Report, 2022).

Another organizational resource that has increased in importance for Celsius Holdings in the most recent years is the firm's capital resources. An announcement was made on August 1st, 2022, between PepsiCo and Celsius Holdings. The announcement outlined a $550 investment from PepsiCo for a long-term strategic distribution agreement and investment with Celsius Holdings and its products (Celsius & PepsiCo, n.d.). Celsius' extended distribution with PepsiCo will help further support their customers' needs by raising awareness for the brand and increasing the area where Celsius can be purchased. This partnership between PepsiCo and Celsius Holdings built up the firm's access to working capital to further develop its products.

Current and Anticipated Cultural and Structural Issues

Celsius notes in its 10k annual report many times how the stress on maintaining a positive company culture within Celsius is key to the company's success. If it fails to maintain this, it will have organizational implications. The firm's reliance on its internal environment will help with the long-term success of the company. Along with the internal environment, Celsius Holdings needs to fully grasp the customer environment to understand the consumers buying their products.

Customer Environment

Current and Potential Customers

Current Celsius customers range in characteristics by product usage. According to the 2021 Spring MRI-Simmons USA study, the customers of lesser-known energy drink brands—Celsius in 2021—differ slightly in demographic, geographic, and psychographic profiles regarding usage levels. Consumers considered heavy users of energy drinks have similar characteristics to consumers considered light users. The following information is the characteristics of heavy-use consumers. 57 percent of consumers are male, and 43 percent are female. The median age is 37.6 years old. The largest races are white at 76 percent and African American at 9 percent. 46 percent of heavy-use consumers are married, and 41 percent have children in the household. 35 percent rent a home while 63 percent own a home. The median household income is $81,586 and 45 percent of consumers have a household income of less than $75,000. 27 percent graduated high school, 29 percent had some college, and 22 percent graduated college. Heavy-use consumers are located mostly in the Southwest, Southeast, and New England regions of the U.S. Consumer attitudes and values were assessed by the highest percentage that responded to the survey with any type of agreement. Regarding buying styles, 89 percent of consumers responded that when they find a brand they like, they stick to it. Consumers agreed that they like to shop around before making a purchase, that generic or store brand products are as effective as brand-name products, that they prefer a store that has a large selection of familiar brands, that if a product is made by a company they trust, they'll buy it even if it is slightly more expensive, and that price is more important than brand names. Regarding these consumers' general attitudes, 92 percent agreed that it is important that a company acts ethically. Consumers agreed that spending time with their family is their top priority and that each of us has a personal obligation to do what we can to be environmentally responsible. Regarding self-concept, these consumers believe themselves to be trustworthy, honest, kind, broad-minded, intelligent, and practical.

Compared to heavy-use consumers, light-use consumers have similar characteristics. The following information is the characteristics of light-use consumers. 58 percent of consumers are male, and 43 percent are female. The median age is 34.9 years old. The largest race is white at 87 percent. 46 percent of light-use consumers are married, and 50 percent have children in the household. 34 percent rent a home while 62 percent own a home. The median household income is $86,193 and 41 percent of consumers have a household income of less than $75,000. 29 percent graduated high school, 32 percent have some college, and 21 percent graduated college.

Light-use consumers are located mostly in the Middle Atlantic, Southeast, & East Central regions of the U.S. Consumer attitudes and values were assessed by the highest percentage that responded to the survey with any type of agreement. Regarding buying styles, 88 percent of consumers responded that when they find a brand they like, they stick to it. Consumers agreed that generic or store brand products are as effective as brand-name products, that price is more important than brand names, that they like to shop around before making a purchase, that they prefer a store that has a large selection of familiar brands, and that if a product is made by a company they trust, they'll buy it even if it is slightly more expensive. Regarding these consumers' general attitudes, 87 percent agreed that it is important that a company acts ethically. Consumers agreed that spending time with their families is their top priority and that the government should pay more attention to environmental issues. Regarding self-concept, these consumers also believe themselves to be trustworthy, honest, broad-minded, kind, practical, and intelligent.

In the past years, Celsius has begun to target a younger customer base. John Fieldly, Celsius CEO, told Marketing Dive in 2023 that Celsius will be targeting Gen-Z (Adams, 2023). This target consumer base is between the ages of 18 and 24. Breaking into the Gen-Z demographic will increase potential opportunities for Celsius. Since Celsius positions itself as a healthy active lifestyle brand, these younger consumers will share those characteristics. The targeted consumer base will be young, active lifestyle, and health-conscious individuals. Additionally, Celsius can begin planning now for how to include the youngest generation, Gen Alpha, into the target customer base in the coming years.

Celsius consumers are typically the purchasers and consumers of Celsius products. These consumers purchase and use the product and bear all financial responsibility. Purchase influencers can include consumers' family, friends, and acquaintances. Celsius consumers are influenced by word-of-mouth marketing and recommendations from friends or family. Purchase influencers also include social media influencers. Celsius promotes influencers on its official social media pages and sponsors other influencers. Celsius also utilizes Celsius Brand Ambassadors. These are the paid influencers, usually college students, who promote Celsius products online. Lastly, purchase influencers are also athletes and sports teams. Celsius uses athletes to promote the brand on social media. Recently, Celsius has been the primary sponsor for multiple NASCAR teams. In April 2023, Celsius finalized a partnership with Formula 1's Scuderia Ferrari (Wolkin, 2023).

Product Use Among Current Customers

Celsius positions its products as a healthy, sustained energy source to live fit. Celsius drinks have healthier ingredients like ginger, guarana, green tea, and 7 essential vitamins. They also contain no sugar, no aspartame, no high fructose corn syrup, and no artificial colors or flavors. All Celsius products are certified gluten-free, kosher, and non-GMO. Celsius also claims that the products have thermogenic properties. The company backs this statement with six published university studies on the official website showing the science behind thermogenic properties in Celsius. According to the official website, "Thermogenic properties are proven to increase metabolism and make the nervous system more active. In turn, this causes your body to burn more calories and body fat than you normally would with exercise alone." By drinking Celsius before exercise, consumers can reduce body fat, increase endurance, and increase fatigue resistance. The classic Celsius energy drinks are 12 oz aluminum cans packaged in packs of four, twelve, and eighteen. They can also be purchased individually and are found in stores alongside other beverages. The Celsius Essentials line consists of 16 oz aluminum cans packaged in 12 packs or individually. The Celsius On-The-Go line is a powder stick packet. Each packet is .18 oz and there are 14 packets per box. The packets are simply added to water to recreate the original Celsius energy drink. These energy drinks are positioned for an active, healthy lifestyle consumer. Consumers can grab an individual Celsius on the way to the gym or keep their favorite energy drink at home by buying packs. Consumers can also travel more easily with Celsius with the On-The-Go line, which is smaller, versatile, and easy to use. After consumption, Celsius aluminum cans can simply be recycled by consumers. According to the August 2021 Celsius ESG Report, approximately 90% of products are sold in 12oz, 100 percent recyclable, aluminum cans.

Current Sales Channels

Current sales channels for Celsius include convenience stores, grocery stores, Vitamin specialty & drug, fitness, military, E-commerce, Natural channel, vending, and mass market (Investors Report, 2023). Convenience stores with Celsius products include QuikTrip, 7-Eleven, RaceTrac, Casey's, Speedway, Sunoco, Tedeschi, and Holiday. Grocery stores include Publix, Meijer, Kroger, Ralphs, HEB, Safeway, Giant Eagle, Aldi, Hyvee, Dollar General, and Stop & Shop. Vitamin specialty & drug stores include CVS, The Vitamin Shoppe, Smoothie King, GNC, and Rite Aid. Fitness stores like LA Fitness, Anytime Fitness, Planet Fitness, Dick's Sporting Goods, and Equinox also carry Celsius products. Military channels such as MCX, MFESE, and NEX are included in current sales channels. E-commerce stores include Amazon, Walmart, and Instacart. Natural channels such as The Fresh Market and Sprouts. Vending like Vistar, First Class Vending, and Canteen. Lastly, mass market stores include Target, Costco, BJ's, Sam's Club, and Walmart. Product placement is carefully chosen for each channel. In grocery stores, pharmacies, and fitness channels, Celsius is sold ambient and cold in multipacks. In convenience stores Celsius can be purchased in multipacks like grocery stores or individually in the cooler. While these channels allow for the individual consumer to make Celsius purchases, mass market stores like Costco and Sam's Club allow consumers to purchase larger quantities of Celsius. Shoppers can find larger multipacks at these locations and can purchase more. Like many products, E-commerce stores like Amazon and Walmart make Celsius more accessible to consumers. Shoppers can purchase individual Celsius products for in-store pickup, or have a pack sent to their home.

Current Purchase Behavior and Patterns

Celsius occasionally includes promotions and discounts. Many sales channels will add special deals, for example, buy on get one. Purchase behavior and patterns vary between the different sales channels. A 24-hour convenience store will have more customer traffic because of longer hours than another wholesaler, for example. In fact, in the energy drink industry, over half of all energy drink sales occur in convenience stores (Rose, 2023). Other purchase patterns will continue to change as other retail channels expand, like e-commerce. There has been a major increase in e-commerce and online sales, especially after the COVID-19 pandemic. In 2020, CEO John Fieldly stated there was... "dramatic shift in retail shopping patterns and the movement towards more online purchasing in light of increased health and safety concerns," (Celsius Holdings, 2020). That year, Celsius increased the average daily online sales volume by 167 percent compared to the previous year. Celsius has leaned into e-commerce and shifted sales and marketing initiatives online. Consumers looking to purchase Celsius products on the official website are directed to Amazon.

Additional changes to purchasing patterns and behavior can be influenced by seasonal demand patterns. According to analyst Jeff Van Sinderen of B. Riley, the peak season for the energy drink industry and Celsius is the summer (Yahoo Finance, 2024). Celsius has excelled at recognizing seasonal trends, offering refreshing tropical drink flavors like Kiwi Guava, Raspberry Acai, Mango Tango, Blue Crush, Strawberry Coconut, and more. Sporting events can also change consumption patterns. A National Institute of Health study showed a positive correlation between the frequency of extreme sports viewing and energy drink consumption. During the study, the odds of the respondent consuming an energy drink increased by 31 percent for every extreme sport viewed in a week. (Goodhew et al., 2020). Interestingly, the act of watching a sport did not solely influence energy drink consumption. The study went on to explain that, "Watching those sports in which individuals and the sports themselves are frequently sponsored by energy drinks, with branding on clothing and equipment used during completion, although not seen as advertising, may be influencing behavior. In fact, in the present study, every increase per week in extreme sport viewing increased the odds of energy drink consumption" (Goodhew et al., 2020). Celsius has already expanded into some sports events and teams. As mentioned, Celsius recently partnered with Team Ferrari and has the potential to continue expansion into other extreme sports.

Purchase and Preference Drivers

Celsius is a healthier alternative to conventional energy drinks. The products offer customers functionality, health, and flavor instead of only one of the aspects. Competitors that offer conventional energy drinks are brands like Monster and Red Bull. Competitors that have functional products include Bai and Smart Water. Brands that offer healthier alternatives include Hiball and Runa. Celsius provides the best characteristics of all these brands. Celsius energy drinks offer functional energy with great taste and healthier ingredients (Investors Report, 2023).

Energy drink mixes, like the Celsius On-The-Go line, have been on the rise, offering consumers the ability to personalize beverages (IBIS). Consumers are looking for more options in their energy drinks. Celsius offers 23 original Celsius flavors, 6 Celsius Essentials flavors, and 9 Celsius On-The-Go flavors. An increase in health-conscious consumers will also play a role in the energy drink industry. Celsius will face competitors like Red Bull, traditionally known as an unhealthier alternative, which recently launched an all-natural ingredient drink line as it tries to expand into the health-conscious consumer segment (Rose, 2023). Unfortunately for Celsius, more brands have begun to expand into this segment as well. To stay relevant and keep an advantage, Celsius must continue innovation in the health segment and keep a strong brand healthy lifestyle position.

Additionally, Celsius will need to double down its efforts to gain a strong following. Since the brand just recently gained popularity, larger well-known brands like Red Bull and Monster have stronger brand following and brand loyalty. Celsius should continue and strengthen its social media presence and connection to consumers through brand ambassadors. Created in 2022, the new Celsius University can also potentially increase brand loyalty for the brand. Celsius must work to create long-term relationships with ambassadors and paid influencers, in turn connecting with the target audience. Celsius must promote long-term relationships with customers as well. Products are priced moderately compared to competitors, around two dollars per individual 12 oz can, depending on location and sales channel. Consumers do not purchase Celsius because it is the least expensive energy drink. They purchase Celsius products because of their interest in or engagement with the brand.

Gaps In Meeting Market Needs

Celsius, a relatively young company, struggles the most with brand loyalty and equity. Although the brand is slowly gaining a stronger customer base, noncustomers will typically turn to a well-known, established brand rather than Celsius. Brands like Red Bull and Monster have a loyal customer base. This is because consumers know they can trust the brands. Noncustomers will look for the least expensive brands, as well. Celsius uses neither premium nor economy pricing strategies but sits in a moderate position compared to competitors. Market disruptions like the health-conscious push have shifted perceptions of energy drinks. Although positioned as a healthier alternative, Celsius is still in the energy drink industry with conventional brands like Red Bull and Monster. Lastly, indirect competition leads noncustomers to choose different energy sources. Instead of an energy drink, some consumers prefer coffee, soda, or other energy beverages. All these factors and varying consumer preferences can lead consumers to look at other brands and products.

Although Celsius has expanded into different sales channels and distribution processes, a large portion of the brand's revenue, almost 40 percent, flows from only two distributors. This concentration of revenue is not only a potential threat to the company but also can lead noncustomers to look elsewhere for energy drinks. According to the Celsius 10-K Annual Report, in 2022, 22 percent of Celsius's revenue originated from Pepsi. Although Pepsi is an established brand, this distribution method does not consider consumers who either do not prefer Pepsi products or do not have retail locations with Pepsi products available. Additionally, 16.7 percent of revenue came from Costco locations. Costco is only available to wholesale consumers in specific locations (10K Annual Report, 2022). This again disregards potential customers who do not have access to these two main distributors. To convert noncustomers back into customers, Celsius will need to establish a trusted name. The brand must emphasize the healthy lifestyle position and create relationships with influencers and customers. A strong connection to the target customer base is necessary to gain competitors' customers. Additionally, Celsius must continue to expand its e-commerce channels to make Celsius more accessible to all consumers. Since a large portion of sales occur in convenience stores, Celsius must look to expand marketing and distribution in those locations as well. While looking into expanding marketing and distribution, Celsius will need to be conscious of the external environmental factors affecting the company.

External Environment

Competition

Major competitors of Celsius include The Coca-Cola Company, Dr. Pepper Snapple Group, Nestlé, Waters North America, Inc., Hansen Natural Corp., Vital Pharmaceuticals, Inc., Monster Energy, and Red Bull (10K Annual Report, 2022). Products in direct competition include Monster and Red Bull energy drinks. Products like Bai, from the Dr. Pepper Snapple Group; Smart Water, from Energy Brands Inc.; and Hiball and Runa, health-conscious energy drinks. One of the largest competitors is Coca-Cola Co.

The Coca-Cola Company sells products in over 200 countries. In 2022, the company had a net income of $9.5 billion and advertising costs of approximately $4 billion (ProQuest One Business, 2023d). Although revenue patterns are irregular, there has been an overall increase of 25% between 2018 and 2022. Coca-Cola Co is the parent brand of Energy Brands Inc. which sells Smart Water and Vitamin Water. These are functional beverages for energy-seeking, typically younger, consumers.

Another competitor is Keurig Dr Pepper Inc., the parent company of the Dr. Pepper Snapple Group. In 2022, the company had a net income of $1.4 billion, and net sales increased by $1.4 billion to $14.1 million in 2022 (ProQuest One Business, 2023a). Like Coca-Cola, revenue for KDP has increased in the previous years with an overall increase of 89% between 2018 and 2022. In the same year, advertising expenses were about $537 million. Competing products include Bai, another functional energy drink for younger consumers.

Monster Beverage Co is another strong competitor for Celsius with net sales of $5.5 billion, a record annual net sale, in 2021 (ProQuest One Business, 2023b). Monster Beverage Co. products are sold in 154 countries and recently acquired CANarchy Craft Brewery Collective for approximately $330 million in cash. In 2021, the company's advertising expenses were about $417.6 million. Monster energy drinks are in direct competition with Celsius. The brand's energy drinks are the conventional energy drink of choice for the adventure-seeking, extreme sports-watching target audience.

Lastly, Red Bull GmbH is another direct competitor with the Red Bull energy drink line. The company recorded sales of $7,815.63 million in 2021 and claims that 5.2 billion cans of Red Bull are consumed annually worldwide (ProQuest One Business, 2023c). The company's successful marketing strategy involves advertising by sponsoring extreme sports and free product distribution, allowing Red Bull to capture 70% of the market share for energy drinks. There are several variations of Red Bull's energy drinks, targeting a similar thrill and adventure-seeking audience to Monster. Potential competitors to these brands will be even healthier alternatives to energy drinks. Companies mentioned previously like Runa, Hiball, and other companies looking to target the health-conscious consumer have the potential to thrive in the coming years.

Economic Growth and Stability

For Celsius, the global company, the most important economy will be the U.S. economy. According to the U.S. Department of the Treasury, the U.S. economy is beginning to recover from the COVID-19 pandemic with a recovering GDP looking to reach the level from before the pandemic trend. Additionally, global labor markets have strengthened, and inflation has begun to cool down in the U.S. With less inflation, consumers will potentially make more purchases and spend more (Van Nostrand & Sinclair, 2023). More specifically for Celsius, according to the IBIS World database on the energy drink industry, in 2023 revenue was $21 billion and profit was 4.1 billion with a profit margin of 19.6 percent. The industry is growing and in the early stages of the product life cycle. Per capita disposable income has expanded, allowing for more impulse purchases by customers in the beverage and energy drink industries. Convenience stores are marking up prices which pushes consumers to less expensive solutions while the price per volume of drinks has decreased as discount retailers gain more share of the energy drink market. The energy drink market is very volatile, with changing consumer preferences, shifts in trends and driven demand, and materials and production costs. Costs of factors and inputs of production constantly change with the economy and heavily influence the price of energy drinks. This can be both beneficial and detrimental for the energy drink industry since companies charge prices based on input costs. If input costs are higher, energy drinks will cost more for the consumer. Unfortunately for companies like Celsius, the resources needed, and the production process to make the products are highly volatile like the industry.

Legal and Regulatory Issues

One of the main regulatory Celsius Holdings faces is the everchanging labeling regulations within the energy drink industry in the United States. The American Beverage

Association (ABA) creates guidelines for what is necessary to include on the labels of energy drinks. This affects the marketing of the physical products for Celsius Holdings (Rose, 2023). The firm needs to constantly needs to pay attention to new labeling regulations to ensure proper protocols are followed.

Another regulation concern within the energy drink industry of the US is the growing regulations for caffeine allowed in a product. The Federal US Food and Drug Administration (FDA) limits caffeine allowed in products to 70 milligrams per 12-ounce soda (Rose, 2023). Celsius Holdings needs to abide by this regulation to be able to continue the production of its products. Additionally, various laws in different states have attempted to minimize the marketing of energy drinks to minors. Connecticut passed a bill in 2019 to reduce the sale of energy drinks to minors under the age of 16 (Rose, 2023). For Celsius Holdings' marketing, the firm needs to ensure proper market segmentation and targeting are followed to be able to avoid fines, fees, or lawsuits in their marketing department.

Political Trends

Political trends facing the industry mirror the legal and regulation issues regarding labeling products and marketing to children under the age of 18 (Rose, 2023). Public officials may use their power in office to put these regulations in place. If the labeling and marketing regulations tighten, Celsius Holdings will need to be adaptable and follow the regulations to avoid fees. Additionally, the government held power over this industry during the Coronavirus pandemic. Many restrictions were placed on the business processes of production and manufacturing jobs. This time will continue to have repercussions on the firms for the next few years.

Technological Advancements

As the world has been seeing in many different industries, automation of machinery continues to play a pivotal role in the production of consumer goods (Rose, 2023). The advancements in the energy drink industry in the US machinery allow for companies like Celsius Holdings to leverage the accelerated distribution process. For Celsius Holdings, having a variety of distribution channels plays a key role in the success of the company, so speeding up this process and making it more efficient with technology allows the firm to expand at a faster rate. Consumers have embraced this technological advancement of machinery because the advancement has allowed consumers to get products on demand. Creating a more automated process in the production and distribution of the energy drink industry helps companies grow and expand faster than in the past.

Another technological advancement in the energy drink industry in the US is the constant in using social media to expand brand awareness marketing (Rose, 2023). As outlined above, Celsius Holdings uses social media in its marketing strategy to leverage this opportunity to increase its overall marketing objective of brand awareness. Customers have accepted this technological advancement by supporting companies via social media. Social media allows fans of products to support the product for free using a like, share, comment, or follow on their social media platforms. Similarly, companies in the industry have taken advantage of the new age of social media by being able to target many different demographics using integrated marketing communications to support their platforms.

Sociocultural Trends

In the United States, the healthy eating index (supporting the number of Americans on a diet) has been increasing over the years and is on the trajectory to continue to increase (Rose, 2023). This poses a threat to the energy drink production in the US industry. Fortunately, for Celsius, their mission outlines the firm wants to "… offer significant health benefits" (Celsius Holdings, 2023). They have aligned their energy drink towards a healthier energy drink. If the healthy eating index in the United States continues to increase, this trend could have a positive impact on Celsius Holdings and a negative impact on its competitors in this industry. When this happens, Celsius Holdings will need to increase its promotions and education about what its products offer to separate the firm from its unhealthy competitors.

Similarly, the per capita sugar and sweetener consumption (total number of caloric sweeteners that are annually available for consumption per person in the United States) continued to decrease in the United States by -0.22% over the past five years (Rose, 2023). The threat to the industry in this decrease of these consumption patterns inversely helps Celsius Holdings. The firm's product focus on health benefits will help to use this industry threat as a potential opportunity to excel.

SWOT Analysis

A SWOT analysis was conducted to analyze internal strengths and weaknesses for Celsius to leverage or minimize as well as any external opportunities or threats to the company.

Strengths

Strength 1: Unique Product Offering & Market Appeal

Celsius offers a wide range of products for any consumer, as well as a unique health position. With a wide product line, Celsius can appeal to any customer. In terms of market appeal, Celsius can engage both the traditional energy drink consumer and the new health-conscious consumer with healthy alternative energy drinks (Yahoo Finance, 2024).

Strength 2: Strategic Partnerships

Strategic partnerships allow Celsius to expand into or enter entirely new markets and increase sales and distribution channels. These partnerships, for example, PepsiCo, position Celsius for a competitive advantage. Other partnerships, like Scuderia Ferrari, allow Celsius to increase brand engagement and following, building a stronger brand image (Yahoo Finance, 2024).

Strength 3: Online marketing and e-commerce

E-commerce is a growing market that can provide many opportunities for brands like Celsius. Celsius has leaned heavily into social media and internet advertising, collaborating with many influencers and celebrities. The brand has also emphasized sales and distribution through e-commerce companies, like Amazon and Walmart, that reach a larger audience and more of the target market (Rose, 2023).

These strengths allow Celsius to reach a larger audience and expand into markets while tapping into new markets. With an innovative product and a specific market appeal, Celsius can satisfy any customer. Consumers have a range of flavors and forms of Celsius energy. The product line consists of Celsius Originals, Vibe, Essentials, and On-the-go. Celsius Original and Vibe lines offer 23 different flavors, Celsius Essentials offers six flavors, and Celsius On-the-go offers nine flavors. Celsius appeals to the average energy drink consumer and targets new markets like the emerging health-conscious consumer (Rose, 2023). Celsius does an impressive job partnering with strong, well-known brands that align with the company's goals and purpose. As Celsius enters more partnerships, it will allow the company to expand into existing markets and untapped markets with new potential customers. Companies, especially ones as strong as Pepsi, offer new channels and opportunities for Celsius as well as a connection to the brand name. These partnerships will advance the brand awareness and, eventually, the brand image of Celsius. Like strategic partnerships, e-commerce allows Celsius to reach more of the target audience. Online retail makes the buying process for consumers more accessible. Consumers can easily purchase Celsius products on, for example, Amazon and even have the products shipped to them. In the age of the internet, Celsius uses online advertising to increase consumer engagement. Social media content using celebrities, athletes, and student ambassadors all increase consumer interactions and brand loyalty.

Celsius offers more flavors and variations of energy drinks than competitors. Unlike competitors, Celsius offers functionality, health, and flavor instead of just one of those features. Additionally, attaching to other stronger, well-known brands allows Celsius to expand into new markets with new distribution channels and offers Celsius the credibility and reliability of the partner brand. For example, consumers will associate Ferrari and Pepsi with Celsius. Celsius has leaned into social media and online marketing compared to competitors. Online marketing, with celebrity sponsors and brand ambassadors, builds the brand image and brand trust, especially with a younger target audience. Only retail and e-commerce make Celsius more accessible and simplify the buying process for consumers.

Weaknesses

Weakness 1: Lack of international market presence

Large presence in terms of revenue (95%) of total revenue in domestic market, North America perform puts a lot of stress on the North American to preform for sales in the company (Rose, 2023).

Weakness 2: Reputation Risk with Celebrity Endorsements

Using influencers can be a risky endeavor because the influencer ties consumer perceptions of the brand to the influencer or athlete. This is a threat to Celsius since the company has many athletes and influencers sharing their brand name on their individual social platforms. This is noted as a risk in Celsius holdings 10k report (Knittel, 2014).

Weakness 3: Financial vulnerability if the deal with Pepsi falls short

Noted in the risks section of the 10k report, Celsius Holdings had a large investment from Pepsi during the distribution deal. Any “significant disagreements” could greatly impact financial outcomes for Celsius (Rose, 2023).

The weaknesses listed above prevent the firm from meeting customer needs in different aspects. By Celsius not expanding into international markets, their consumers in those markets are not able to find the products where they need them. This leaves a need for the product unfulfilled for Celsius consumers. In the energy drink production industry, brand image and likeness play a large role in the company. If Celsius has a celebrity scandal, this will affect the consumers interpretation of the brand. Consequently, this problem could cause cognitive dissonance for the consumer about if the product relates back to something negative. The final weakness could affect consumer need by causing problems internally with financials therefore, creating a waterfall of effects that will lead down to consumer problems.

Lack of international market presents for Celsius will negatively affect the firm from its competitors because consumers will need to pick one of the competitors' products over Celsius if Celsius products are not available. The reputation risk with celebrity endorsements is a weakness for money energy drink companies. Specifically with Celsius, the companies focus its main marketing efforts towards celebrity/influencer endorsements. If these endorsements go south, Celsius will have a problem with having positive brand recognition. This emphasis towards marketing with celebrities, is a weakness for Celsius and negatively differentiates the firm from competitors in this way. The risk of the large distribution Pepsi deal falling short is a weakness that negative differentiates Celsius from its competitors by putting "all their eggs in one basket" from a distribution standpoint. Their competitors may not have this large of a deal with another company.

Opportunities

Opportunity 1: Global Market Expansion

Celsius has the opportunity to expand globally. With news of international distribution agreements with the United Kingdom and Ireland, Celsius could further expand business into the UK and Europe (Celsius Holdings, Inc., 2024).

Opportunity 2: Product Line Diversification

Celsius can diversify its product portfolio to introduce even more product lines with new flavors and features. Celsius can look to expand outside of the traditional energy drink (Yahoo Finance, 2024).

Opportunity 3: Growing health-conscious consumer market

With the changing health trends, Celsius should maintain its position as a healthy alternative to traditional energy drinks. The brand can increase research into healthy components and innovative alternative products. It can use its position against competitors to gain a competitive advantage in the coming years. If not used correctly, this trend can become a threat (Rose, 2023).

These opportunities will allow Celsius to reach new markets, satisfy various preferences, and gain growing market segments. With global market expansion, Celsius can begin distribution in different countries and regions where the company could gain new customers. Product line diversification will offer new and innovative products to consumers, with more product lines, flavors, and features that the consumer wants. Lastly, as the health-conscious consumer market grows, Celsius can cater to that market's needs. Currently, all Celsius energy drinks have zero sugar and only 10 calories per serving. The brand can further the development of health benefits and increase the promotion of those benefits.

All the opportunities above have a relatively short time horizon. Global market expansion should occur within the next few years to optimize promotion efforts. Product line diversification should occur consistently throughout the years to refresh the product portfolio and retain consumer engagement. Celsius will need to act on the health-conscious push immediately. The brand must keep up with the health trends. If Celsius falls behind, this missed opportunity could become a threat to Celsius.

Threats

Threat 1: High Industry Competition

The Energy Drink production industry has high competition with three large companies having 42.8 percent of the market share and the smaller companies fighting over the rest (Rose, 2023).

Threat 2: Increased Government and Industry Regulations

An increase in government and industry regulation has caused brands in the energy drink production industry to be required to make frequent changes to the caffeine content of products and product labels. These changes could be a threat to both physical product production and various marketing repercussions (for marketing regulations). Legislation has proposed the changes to try to "curb consumption of energy drinks" (Rose, 2023).

Threat 3: Changing Health Trends

Another Threat is the media coverage of the negative effects (deaths) of caffeine drinking. Also, consumers are becoming more conscious of drinking healthier. For example, reducing calories and carbohydrates consumed through beverages. Published articles indicating the dangerous effects of caffeine throughout the world (Thompson, 2014).

The threat of high competition can positively affect customer needs by offering more product differentiation in the energy drink market. While competition still being a threat to

Celsius, how it is hard to differentiate beverages on the shelves of retailers with high competition. The threat of increased government and industry regulations could affect customers’ needs. Companies in the industry may need to alter their products to fit standards. These changes may affect serving customer needs because the change does not fulfill the customer's need for the products, taste, or flavor. Changing health trends within the industry pushing for more health-conscious products applies to serving consumers' needs by the companies needing to change and adapt their products to fit these new and upcoming trends (Rose, 2023).

Regarding the time threat to these threats, as long as the major competitors hold their position within this industry, the smaller companies will continue to fight over the 57.2% of market share remaining. The government and industry professionals are constantly changing regulations for energy products as new products enter the market. These regulations will hit a plateau at some point but will never go away and are everchanging. Every couple of your health trends switch and new information comes out for which foods/beverages are okay for your body to consume and which are not. This threat should only last a few years targeting this industry specifically. The trend will then move to another individual.

SWOT Matrix

Competitive Advantages

Considering the SWOT analysis, outlining where Celsius can leverage its core competencies through competitive advantage will be vital to the company's long-term success. Celsius has proved that it can innovate and introduce new product lines, flavors, and features with its unique product and market appeal. It can continue to innovate and diversify its product portfolio to retain consumers and customer engagement. It can also use this strength to add healthier features to the product to align with this trend. As the company expands into new regions and countries, it can use its strategic partnerships to gain awareness and reputation in new markets. Celsius can also use its strength in online advertising to aid in global expansion and the promotion of product portfolio diversification and health benefit promotion.

The capabilities of Celsius are not necessarily grounded in the principles of operational excellence but emphasized in product leadership and customer intimacy. Celsius demonstrates its product leadership with its unique features. The energy drinks are marketed towards consumers as a healthy alternative to traditional energy drinks. All products are zero sugar and ten calories. There are numerous flavors and product lines for customers to choose from. No other competitor offers the same features as Celsius. The brand also demonstrates customer intimacy through different channels. For example, the company's presence in online advertising and social media marketing. Celsius connects to the consumers through student brand ambassadors, celebrity and athlete sponsors, and other influencers. The brand is shown trying to strengthen relationships with consumers through social media.

Depending on the weakness or threat, there is room for the company to convert weaknesses into strengths or threats into opportunities. One threat that can directly convert to a strength for Celsius is the changing health trends in the United States. As a company, Celsius has already positioned itself closer to a healthier energy drink than their competitors. Celsius will have to continually adapt their product to the changing health trend to convert this threat. The weakness with a Pepsi deal is currently a strength and can continue to be a strength as long as the relationship between Celsius and Pepsi stays strong. The potential for a significant disagreement between these two companies could put Celsius in financial trouble. Celsius can change the weakness of not having a presence in international markets by expanding to a strength by expanding in international markets. This expansion could mean a presence in retailers or even support to ship international products. Changing government and industry regulations is going to be a forever threat to the industry. Minimizing this threat could be ensuring Celsius has an action plan for when new energy drink regulations are created for a quick way to adapt and change.

Currently, with the weaknesses and threats identified, Celsius has one liability of ensuring the celebrities who endorse the Celsius product are up to date with the government and industry regulations. This liability more specifically indicates the celebrities/athletes/influencers who promote Celsius need to be aware of how to follow marketing regulations for this product since it contains caffeine (For example, the age at which people can be targeted by marketing). Celsius also has one limitation regarding the threats and opportunities. This limitation relates to the opportunity timeline previously mentioned. If Celsius does not capitalize on the health-conscious consumer segment now, it will be a threat to the company.

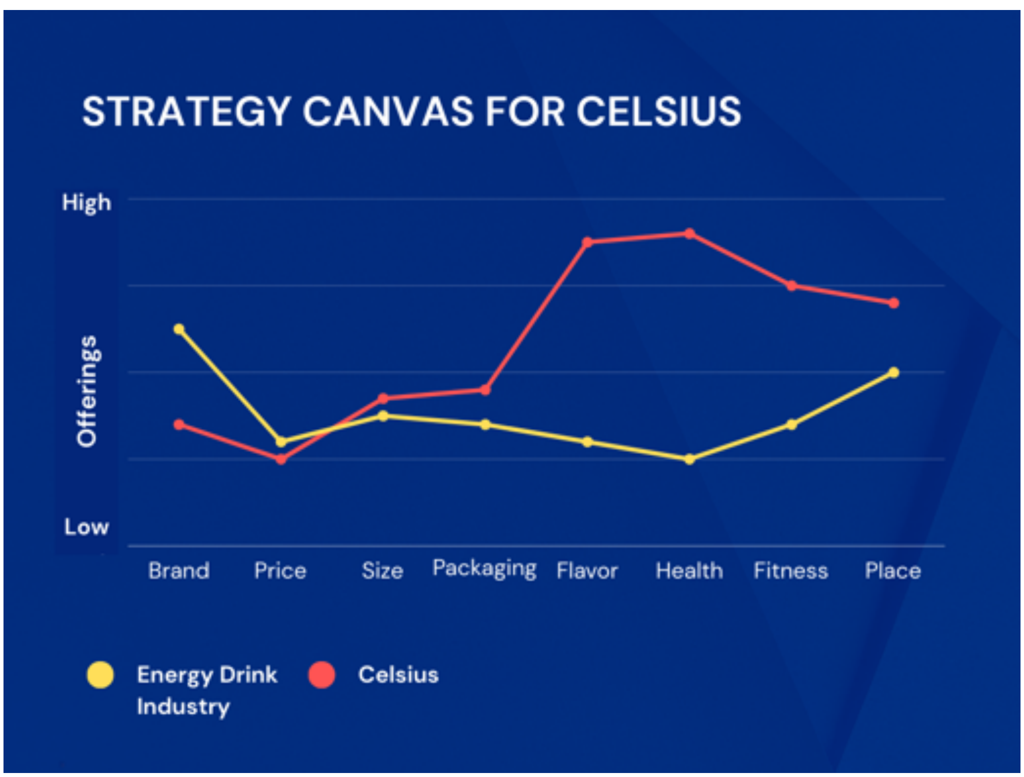
For the liability of ensuring anyone hired to promote the Celsius product follows the regulations set, keeping these individuals up to date with new changes is critical. For the limitation, the sole option to combat this issue Celsius has is to keep up with health trends and stay ahead of the health-conscious consumer segment. The brand must dedicate resources to research and innovation regarding the potential health benefits of the energy drinks.

Based on Celsius's current strengths and weaknesses, there are a few strengths and weaknesses that could be shifted if there is a market disruption. One example of this shift would be if something happens in the international market and international affairs become risky, then not having a significant presence in the international markets could earn Celsius a strength in this category.

Threats can turn into opportunities. For example, the threat caused to the company by changing health trends is a current opportunity for Celsius by how they have structured their product toward a healthier lifestyle. This product positioning is still a threat because health trends like reducing caffeine intake negatively, affect the energy drink production industry.

Strategic Focus

Using its competitive advantage, the brand's strategic focus is the unique and trendy healthy alternative to traditional energy drinks. The strategic focus strategy is market development, selling the same product to new markets. The new market is a healthy "Mom" demographic, targeting busy moms who need a healthy energizing drink. Although Celsius possesses many strengths, it also faces many threats to the energy drink industry and the brand itself. For example, the changing health trends discussed earlier in the report. In terms of a strategy canvas, Celsius separates itself from the energy drink industry with its dominance in features like health, fitness, flavor, and even place. Celsius is the preferred health fitness energy drink and can be purchased in many varieties, in-store or online. The exhibit below shows a mockup of the Celsius strategy canvas.



Marketing Goals and Objectives

The marketing goals and objectives below are developed based on the secondary research above and will be used ask key performance indicators to measure the success of Celsius' market development strategy listed in this report.

Growth strategy: Market Development

Competitive advantage(s): Health, fitness, & flavor

Marketing Goal A: Enter the New Market of "Moms" using a market development strategy.

1) Objective A1: New customer acquisition
   a. Acquire 10,000 new customers matching new market demographics to Celsius in six months.
2) Objective A2:
   a. Increase market share by 3% in the caffeine beverages industry in twelve months to help attract the new market towards Celsius products by leveraging the health benefits of the product.
3) Objective A3:
   a. Reach a 15% increase in sales within twelve months for accessing the new market demographic by increasing product knowledge to the new target market.
4) Objective A4:
   i. Invest an initial $100,000 in online advertising for six months, prioritizing collaborations and sponsorships with influencers connected to the new target demographic, to increase brand awareness and engagement in the target market.

Marketing Strategy

Target Markets

Market Identification

The market for Celsius On-The-Go packets is consumers looking for powder add-ins to water. This market has been identified based on the core features of the product that differentiate the On-the-go from Celsius Original beverages. The core features include a powder stick packet without liquid for convivence of the compact size (*Celsius® fitness drinks, 2024)*.

Demographic

Our team chose to segment the market using demographic variables of age group, gender, and median household income levels. Celsius has the potential to segment by the current age category of 18-24 years old or extend to another older age segmentation of 25-34 years old or 35-44 years old (Adams, 2023). In the gender category, both female and male consumers are viable market segments for the Celsius On-the-go product. Additionally, segmenting the market by median household income allows our team to differentiate the level of disposable income available for each segment. Segmenting moderate income levels to middle to upper income will provide Celsius with options as to the amount of disposable income needed (MRI- Simmons, 2021).

Psychographic

The psychographic variable our team chose to segment by was the lifestyle of the consumers. A couple of different lifestyles applying to segmenting consumers in this market are fitness enthusiasts, constant travelers, and busy career-focused individuals. Each one of these markets requires different product features from their desired product, yet all fall into the overall broad market of consumers looking for powder add-ins to water (MRI- Simmons, 2021).

Behavioral

For behavioral market segmentation, the two variables our team will focus on are usage rate and brand loyalty. Consumers will be segmented into heavy and light users according to usage rate. This segmentation will help align the expectation for the frequency of product purchases. Brand loyalty will segment groups that have strong versus weak brand loyalty. Brand loyalty segmentation helps divide consumers on what they base their purchase decisions (MRI-Simmons, 2021).

Primary Target Market

The primary target market are female parents, age 35-44 years old, who are balancing their careers and being a mother with while working to remain health conscious From a market development standpoint, shifting to the primary target market indicated above will help Celsius reach a new market of consumers with the Celsius On-the-go product. According to our 2021 Spring MRI-Simmons USA, our research suggests light users will be the consumers to target based on a few factors. One factor is the median household income of $86,193 rather than heavy users of energy drinks, $81,586. Another factor is how many children are in the household. 41%

of heavy users have children in the household compared to 50% of light users have children in the household. This increase in children in the household mirrors our team's primary market of the consumer being a mother. Furthermore, 88% of consumers in this category are brand loyal which indicates once they find a brand they like to stick to it. Elevating this brand loyalty will be a pivotal piece towards increasing the brand awareness of Celsius to the primary target market. Within the age range between 35-44 years old, the median average household income is $94,584. This income allows for flexibility in this market for disposable income. The market having a disposable income is important for consumers purchasing of the Celsius On-the-go product (MRI- Simmons, 2021).

This primary market segment has untouched potential by Celsius based on the characteristics above. More specifically, this primary target market will align best with the Celsius On-the-go from the aspect that this primary target market is looking for convenience when shopping for a product. Celsius can use this information to leverage their extensive distribution to market to this group of consumers (10K Annual Report, 2022).

Primary Target Market- Buyer Persona

Stephanie Smith is a 39-year-old Caucasian woman. Wife to Michael Smith, Stephanie is a mother of two school-aged children and Max, the family dog. The Smiths own a home in the suburbs of Charlotte, North Carolina, with a household income of around $95,000. Stephanie graduated from the University of North Carolina with a BS in marketing and has been working at a local advertising agency since. When she is not working, Stephanie remains busy taking care of her children, bringing them to school or sporting events, staying involved in her children's school organizations like PTO, and running errands. Family, health, and work are Stephanie's biggest priorities. Although she struggles to balance work and motherhood, Stephanie always prioritizes family the most. She makes sure her family stays active and feeds them healthy organic foods. In her free time, she tries to work out and maintain a healthy lifestyle herself. Stephanie enjoys yoga, Pilates, and walking with other mothers in the neighborhood—along with a weekly book club.

Stephanie struggles to keep up while balancing her busy career and home life. She is looking to stay energized throughout the day. She will drink coffee and energy drinks when necessary but does not prefer the taste of coffee nor wants to fill her body with sugar and unhealthy additives. Like many working mothers, Stephanie needs purchases that are convenient to make. She does not have time to drive around town searching for a product, she needs an energy drink and snack to pick up on her way from work to her children's soccer game. The drink itself must be quick and easy to use as well. Stephanie is also very brand loyal and rarely strays from brands she trusts. Once she finds a brand she likes, she will always buy from that brand, even if it is more expensive than an alternative. Although she is brand loyal, she can be open-minded to new products, especially of a familiar brand.

Secondary Target Market

The secondary target market are young professionals, 25-34 years old, who are also juggling their new careers with a healthy balanced lifestyle. This market has high potential and will be easily achievable for Celsius. The age range of 25- to 34-year-olds sits between the two identified target markets, the traditionally younger market of college students and the newest older market of working mothers. According to our team's research from 2021 Spring MRI-Simmons USA on the light users 25–35-year-old age demographic, the median household income is $81,933. 47 percent of these younger consumers have children in the household and only 50 percent are married. Most consumers are located in the East Central region of the U.S. Like the primary target market, this consumer segment is concerned about their health while living busy lives. These young professionals are advancing in their careers while balancing their growing personal lives. Many consumers in this age demographic are facing new stages of life like marriage, children, or home ownership. Although health is a priority, they have less time and energy to focus on a healthy lifestyle. These young professionals also show strong brand loyalty tendencies.

Secondary Target Market- Buyer Persona

Noah Johnson is a 29-year-old Caucasian male. Noah lives in Columbus, Ohio. He lives in an apartment he rents with his dog Charlie and no children. He is engaged to his fiancé Amanda; the couple have begun the home search and will move in together in the next year. Noah graduated from the Ohio State University with a BS in Finance and currently works as a financial manager in the city with a household income of $81,000. Noah is a young professional. He is juggling his advancing career with his growing personal life. In his free time, Noah spends time with his fiancé and friends in the city, trying out new restaurants and bars. Although he loves to try new foods, he still enjoys cooking and eating

healthy organic meals at home. Noah also loves to stay active and goes to the gym, multiple days a week. He is always looking for ways to live a healthier lifestyle.

With his limited free time, Noah needs a quick and easy boost of energy throughout the day. When running from the gym to the office in the morning, he needs an accessible, usable, and most importantly, healthy product to get him ready for the day. On his way to a social outing or when headed to the gym, he needs to keep up his energy. Noah is health-conscious and wants to fill his body with healthy, nutritious ingredients. He is open-minded and willing to try new products and brands. When he finds a brand that works for him, he will remain loyal to it and purchase those products over other brands.

Product Strategy

Conjoint Analysis Study

Moving into the conjoint analysis study, the current brand name for this product lies under the Celsius brand umbrella. More specifically, the product line is named Celsius On-the-Go. This product name aligns with a central brand name to allow Celsius to maintain brand awareness through extended product lines. Currently, the product is packaged in cases with 14 individual packets inside. The packing is white and displays the fresh fruit of the flavor from the packet. In addition, a couple of critical components are the convivence of the individual packets. Rather than being in a tub of powder, the convenience of individual packets lets consumers bring the product wherever they go. The packaging also includes the statement, 'Just add water' which helps in product understanding and adaption from new consumers.

Our primary research intended to gain insights regarding consumer attitudes towards the Celsius on-the-go product line. More specifically, the primary research uses a conjoint analysis design to understand attitudes towards adjusting price, number of flavors, and number of packets for potential customers.

Price was chosen as an attribute to adapt in the survey because the Celsius on-the-go product is a product customers buy using disposable income. Each of the factor's levels makes the price more elastic, therefore keeping a price a factor of interest. Both the interest in altering the number of packets in the case and the number of flavors in the case stem from Celsius on-the-go product offerings. Currently, Celsius on-the-go offers only one number of packets and one flavor with that packet for customers. Nevertheless, the conjoint analysis allowed our team to adapt the number of each of these attributes to understand if our customers would care about more variety. Below is a table outlining the attributes adopted in the conjoint analysis and the levels of each. The levels are adapted for more costly adaptions being a higher level in the analysis.

Attribute	**Level 1**	**Level 2**	**Level 3**
Price	$11.50	$13.50	$16.50
Count of Packets	4 Packets	9 Packets	15 Packets
Flavor	1 Flavor	2 Flavor	3 Flavors

The orthogonal design helped our team develop nine possible combinations of attributes considering each level provided. This experimental design allowed the survey to develop realistic options to ensure the expensive flavors and number of cases were not offered at the cheapest price. This design helps emulate a more precise measurement of realistic products.

Our team used the nine combinations and developed cards to include in the survey sent to respondents.

For primary data collection, our team used Qualtrics survey software. We selected our survey responses using convenience sampling to receive the highest volume of respondents in the time constraint provided. Our team leveraged social media platforms, like Facebook and LinkedIn, as well as direct communication methods of word of mouth, email, and text messages to contact potential respondents. Our team was able to recruit 100 respondents who completed the full survey. Only respondents who completed all questions on the survey. The dashboard in Appendix A illustrates the count of responses for each demographic question on our survey. The tables are colored from teal to dark blue according to the number of respondents to that category. The top demographics by respondents consist of social media as a top communication source, average age of 38, employed full-time, female, married, some college completed, more than $150,000 household income, and white. This demographic group of respondents matches our team's primary buyer persona for the new Celsius on-the-go product. From our team's orthogonal design, we collected the data from the survey and used conjoint analysis to turn our raw data into information to inform our marketing recommendations.

Based on the utility in Appendix B, our sample population preferred the price of $16.50 (Level 3), 15 packets in a case (Level 3), and two flavors (Level 2) included in each case. Each of these options had a higher utility in each attribute category. This result helps our team better understand how people are willing to spend more money on a higher price for more packets in the product and more flavors included. Making cases with more packets and flavors will help to differentiate our product from the competitors who have fewer packets in the case with only one flavor. This change will help add variety to the Celsius on-the-go product line helping to keep loyal customers intrigued and attract new customers. The variety will add value to consumers and aid in the differentiation between Celsius and its competitors.

With the information collected from the survey, our team will be positioning a new product to have a higher price yet adding value to the customer by the number of flavors and number of packets in each case. The Celsius brand with use the generic business strategy of differentiation. Moreover, the business strategy with this product line will be focused on differentiation. The focused aspect comes from aligning our product towards our primary target market minimizing the competitive scope of the Celsius on-the-go product.

Furthermore, understanding where the consumers value the importance of the features will help our team develop a product that aligns with what the consumer values. The sample population closely related each attribute on importance (Price: 30.842, Packets: 30.461, Flavor: 38.697). In Appendix C, the number of flavors attribute was rated the highest importance value. This importance level insinuates adding and subtracting flavors in the case is rated with the highest value to the customer. This study gave our team an insight into product preferences, next we did another study focusing on consumer attitudes towards Celsius verses competitors.

Perceptual Maps

Competitors for Comparison

The two most significant competitors for Celsius in the energy drink industry are Monster and Red Bull. In the minds of the consumer, Monster and Red Bull hold the largest share of the market. These two brands are well-established brands with loyal customer bases. Monster Beverage Company is the popular, traditional energy drink for the adventure-seeking, extreme sports-watching target audience. However, Monster is typically viewed by consumers as unhealthy with high sugar content. Even though the beverage does not fit the changing health trends discussed earlier, Monster Beverage Company is sold in 154 countries and reported a net sale of $5.5 billion in 2021. (ProQuest One Business, 2023a). The brand’s energy drinks are the conventional energy drink of choice for the adventure-seeking, extreme sports-watching target audience.

Another “go-to” option for energy drinks is Red Bull, a well-known brand. The brand is known for sponsoring extreme sports and other extreme events. There is high brand awareness and recognition in the energy drink market. The brand also has loyal customers, even though it is perceived by consumers as unhealthy, like Monster. According to Red Bull GmbH, in 2021, the brand had captured around 70 percent of the market share in the energy drink industry. The company recorded sales of $7,815.63 million in 2021 and claims that 5.2 billion cans of Red Bull are drank by customers annually worldwide (ProQuest One Business, 2023b).

Lastly, Crystal Light offers flavored packets of water. The brand has lost popularity throughout the years. Although not necessarily in the energy drink industry, the brand now offers flavor packets with caffeine. Along with Monster and Red Bull, Crystal Light products are typically high in sugar. Unlike the energy drink brands, Crystal Light is not perceived by customers as unhealthy—or not as unhealthy as energy drinks. The Crystal Light company is owned by Kraft Heinz. Kraft Heinz’s profits have been declining in the past years. According to the annual report, gross profits decreased from $8,682 million to $8,122 million (*10K Annual Report,* 2022). Although this is the parent company, with no financial statements available for Crystal Light, it can be inferred that Crystal Light is also losing profits.

Regardless, Kraft Heinz controls a large share of the beverage and food markets. Crystal Light, on the other hand, does not have much influence in the energy drink market.

Brand Features

The three brand attributes studied are price, perceived health, and variety. Beginning with price is one of the most important brand attributes to consumers. Price is highly linked to the perceived value of a brand or product (Wen-Hung Wang & Tang, 2011). Similarly, price also influences how consumers perceive the quality of a product or brand. Overall, the perceived value and quality of the brand allow for pricing to be raised. Regarding Celsius, the stronger the brand positions its quality and value, the higher the prices can be set.

The next brand attribute is perceived health. A recent trend in the markets is the health-conscious push. Consumers are more aware of the ingredients of their food and beverages and are more motivated to purchase healthier alternatives. A quote from Gary Vorsheim, director of extract sales for Martin Bauer Group, Secaucus, N.J., explains the change: “The continuing consumer focus on drinking healthfully and being fit has moved from simply using natural or organic ingredients to using ingredients that naturally contain the compound which provides the consumer with the positive effects they are looking for,” (*Thinking About a Longer, Brighter Future*, 2011). As Celsius already positions itself as a healthy alternative to the traditional energy drink, the brand can use this health attribute as a competitive advantage. It can also be used to increase perceived quality and value, as mentioned previously, and in turn raise the price.

The last brand attribute studied is flavor variety. This is an important attribute because it can attract variety-seeking customers and maintain those customers. Although consumers who seek flavor variety will not search for new brands as often or take to brand adoption, they will stay with an already adopted brand that offers flavor variety (Kwon, et al., 2023). The study also investigates the effects of different marketing mix variables on flavor variety-seeking consumers. It states that “consumers who choose more variety of flavors (i.e., high FVS consumers) are less sensitive to price promotion than those who do not.” (Kwon, et al., 2023). If Celsius offers a greater variety of flavors in the On-The-Go packets, it can increase the price and not fear the loss of those variety-seeking customers.

Survey Design and Methodology

The survey conducted was to help our team better understand how customers perceive our brand versus competitors in terms of three attributes. The attributes chosen to see how respondents view the brands were price, with inexpensive to expensive anchors, health, using unhealthy to healthy anchors, and quantity of flavors, with a lack of flavors and countless variety. The respondents were asked a series of questions placing a number between the anchors of each brand for all attributes. The respondents were also asked to follow-up questions to determine their familiarity with the brands and general demographics. For this study, we used the snowball convenience sampling method to collect the most responses in the least number of time to combat the time constraint. We sent out the survey via email and Instagram to our friends and family, then encouraged everyone to continue to share the survey further.

Survey Results

From the demographic findings of our survey, our sample contained mainly students who have completed some college with a household income of < $19,999. This information comes from the top count of responses. More information regarding other demographics collected from the survey is in a dashboard display located in Appendix G.

Our team collected 41 responses to the survey for this analysis. According to the responses, three perceptual maps were developed to gather a better understanding on where Celsius lies as a brand in the minds of consumers when compared to the competitors of Monster Beverage Co, Red Bull, and Crystal Light in the categories listed above.

From the price vs health map, located in Appendix D, Celsius seems to be healthier, yet more expensive product in the eyes of consumers. Crystal Light is comparable in the healthiness attribute but is viewed as a cheaper product. From the perception of consumers and the perceptual map, Monster Beverage Co. is related to their view from customers of price and healthiness.

In Appendix E, we display the attributes of price vs flavor quantity from the perception of consumers in the perceptual map. This map also places Celsius as having more flavors at a more expensive price according to the attitudes of consumers. Another important takeaway from this map is the low amount of flavor quantity for both Monster Beverage Co. and Red Bull. Both brands are still perceived to have medium-priced products with a low variety of flavors.

Finally, the last perceptual map created using survey data is in Appendix F, comparing respondent’s perceptions of the healthiness and variety of flavors for each of the four brands. The map indicates consumers perceive Celsius and Crystal Light to have large amount of flavor options and a semi-healthy beverage. On the other hand, Monster Beverage Co. and Red Bull are perceived as unhealthy and lack flavor options.

All this information outlined in the three perceptual maps helps the team understand how customers perceive Celsius as a brand about competitors. Furthermore, the information helps support how our team can position Celsius on-the-go to leverage, lean into, and alter consumers' preference for the product.

Positioning Strategy

From the primary and secondary research supported in this report, our team outlined a positioning strategy. The positioning strategy begins with a positioning statement aligned with the market development strategy of Celsius on the go:

> *For young working mothers who need a healthy and easy, boost of energy throughout the day, Celsius on-the-go provides a luxurious, healthy alternative to traditional energy drinks—with a wide variety of flavors and convenience because Celsius uses only the best ingredients to fuel a healthy lifestyle.*

This positioning strategy leverages the information gathered from the perceptual maps regarding having a healthier product with a wide variety of flavors when compared to competitors. Since, based on the perceptual map information and the survey data, consumers perceive Celsius to have a higher price our team can lean into this idea of positioning the Celsius on-the-go product as luxurious. This will help alleviate price concerns by elevating the benefits supported by the product.

Pricing Strategy

Celsius deploys a competitive matching pricing strategy. Compared to competitors, Celsius On-the-go is priced slightly higher than the average energy drink packets but is not the most expensive. A box of Celsius with 14 packets is priced around $11.24, around 80 cents per packet, while a competitor like Crystal Light retails for 30 cents per packet, or competitors like G Fuel retail for $1.50 per packet. As for the price of the product, Celsius Holdings emphasizes their product as a high-quality fitness supplement, allowing the consumers perceived quality of the product to raise the price above a typical energy drink packet. With an overall competitive matching strategy, the pricing objectives are both competitive matching and profit oriented. Celsius matches competitor's prices with a price set higher than costs to maximize profits and value. As Celsius reaches a new target audience during the market development strategy, the pricing objectives above will contribute to attracting new customers and creating perceived value. With a price slightly above the market average, Celsius can differentiate the On-The-Go line with its features and maintain profits. As previously mentioned, although Celsius will not use a value-based pricing strategy, the price of the products is still related to the perceived value of the customer. As Celsius raises the prices of the product, the higher the perceived value will be.

According to the Celsius 2024 10K Annual Report, in 2023 the company's gross profit increased by $362.2 million from $270.9 million in 2022 to $633.1 million in 2023 and gross profit margins increased from 41.4% to 48.0% respectively. The "gross profit improvements were attributed to efficiencies in raw material sourcing and product waste reduction" (2024 10K Annual Report). Utilizing artificial intelligence technology and Celsius

Holdings 2023 financial statements, including the income statement and balance sheet, the estimated breakeven point is $828.5 million (Open AI, 2024). Specific pricing tactics include volume-based rebates and promotions, placement fees, listing fees, and other discounts (2024 10K Annual Report). Celsius uses these financial incentives to boost sales and increase traffic in sales channels through its distribution strategy.

Distribution Strategy

There will be continued intensive distribution in convenience stores, grocery stores, Vitamin specialty & drug, fitness, military, E-commerce, Natural channel, vending, and mass market (Investors Report, 2023). Convenience stores with Celsius products include QuikTrip, 7-Eleven, RaceTrac, Casey's, Speedway, Sunoco, Tedeschi, and Holiday. Grocery stores include Publix, Meijer, Kroger, Ralphs, HEB, Safeway, Giant Eagle, Aldi, Hy-Vee, Dollar General, and Stop & Shop. Vitamin specialty and drug stores include CVS, The Vitamin Shoppe, Smoothie King, GNC, and Rite Aid. Fitness stores like LA Fitness, Anytime Fitness, Planet Fitness, Dick's Sporting Goods, and Equinox also carry Celsius products. Military channels such as MCX, MFESE, and NEX are in current sales channels. E-commerce stores include Amazon, Walmart, and Instacart. Natural channels such as The Fresh Market and Sprouts. Vending like Vistar, First Class Vending, and Canteen. Lastly, mass market stores include Target, Costco, BJ's, Sam's Club, and Walmart. With the new primary and secondary target markets, the most significant features emphasized in the Celsius On-The-Go line are ease of use and accessibility. Celsius will utilize intensive distribution to ensure the On-The-Go line is readily available to both target markets. The goal of the distribution strategy is to minimize nonmonetary costs by decreasing the time it takes for a customer to shop, therefore decreasing the effort it takes to purchase a

Celsius product and making those shopping locations easy to access for busy working mothers and young professionals.

To ensure distribution channel support, there should be continued use of placement fees, listing fees, and slotting fees to promote Celsius over competitors. To increase the time utility of the product, Celsius will be sold through 24-hour convenience stores and gas stations allowing customers to purchase products whenever they want. Similarly, the On-The-Go line will be promoted on easily accessible displays for increased place utility. The On-The-Go packets can also be promoted and given out for free at sponsored events or with the purchase of traditional Celsius energy drinks. As Celsius builds its brand reputation, customers will be more willing to purchase from a trusted and popular brand. Brand ambassadors will increase the perceived value of the brand. Emphasized health benefits will also increase possession utility and perceived value over competing brands.

Integrated Marketing Communication Strategy

This marketing plan outlines a market development strategy for Celsius. The Celsius IMC strategy will be used to implement the strategy directly to consumers and be based on the marketing AIDA model. The promotional elements will include public relations, advertising, sales promotions, and personal selling. To gain customer attention, Celsius will use public relations and advertising. Advertising will be emphasized most with internet and social media advertising at the front. Ambassadors and influencers will play a large role. Public relations activities will include celebrity ambassadors and sponsored events like sporting events. To gain customer interest in the Celsius On-The-Go line, Celsius will utilize sales promotions like samples like the continued use of public relations and advertising. To increase customer desire for the Celsius On-The-Go line, Celsius will use personal selling in current retailers and set up areas to influence potential customers. Lastly, to push customers toward a final purchase, Celsius will use sales promotions like discounts, point-of-purchase displays, free samples, and loyalty programs. Instead of student ambassadors, ambassadors will match the new target audience demographics and continue to push purchase and brand loyalty.

Each of the different aspects of the marketing plan above help to support the formulation, implementation, and evaluation of the devised marketing strategy. The report used primary and secondary research to support findings that will lead to the success of Celsius on-the-go. More specifically, by implementing a market development strategy to expand into a new target market with this product line.

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Appendix

Appendix A: Conjoint Analysis: Demographic Information

Communication Source

Communication Sources	
Social Media	21
Internet News Site,Social Media	14
Internet News Site	8
Network Television,Internet News Site,Social Media	8
Network Television	5
Internet News Site,Social Media,Other	3
Network Television,Internet News Site	3
Network Television,Social Media	3
Newspaper (Online Copy),Internet News Site	3

Employment

Employment	
Null	0
Employed full tIme	54
Employed part time	26
Please indicate your level of employment.	1
Retired	5
Student	11
Unemployed looking for work	1
Unemployed not looking for work	2

Gender

Gender	
Female	78
Male	21

Marital Status

Marital Status	
Married	47
Never married	45
Divorced	6
Separated	1

Education

Highest Level of Education	
Some college	36
4 year degree	34
Professional degree	18
2 year degree	5
Doctorate	4
High school graduate	4
Null	0

Average Age: 38

Household Income

Household Income	
Null	0
$20,000 - $29,999	2
$60,000 - $69,999	2
$30,000 - $39,999	3
$70,000 - $79,999	4
$90,000 - $99,999	4
$40,000 - $49,999	5
$50,000 - $59,999	5
$80,000 - $89,999	6
Less than $10,000	13
$10,000 - $19,999	15
$100,000 - $149,999	15
More than $150,000	27

Ethnic Group

Ethnic Group	
Null	0
Asian	2
Hispanic	2
White	96

Appendix B: Conjoint Analysis: Utilities Analysis

Utilities

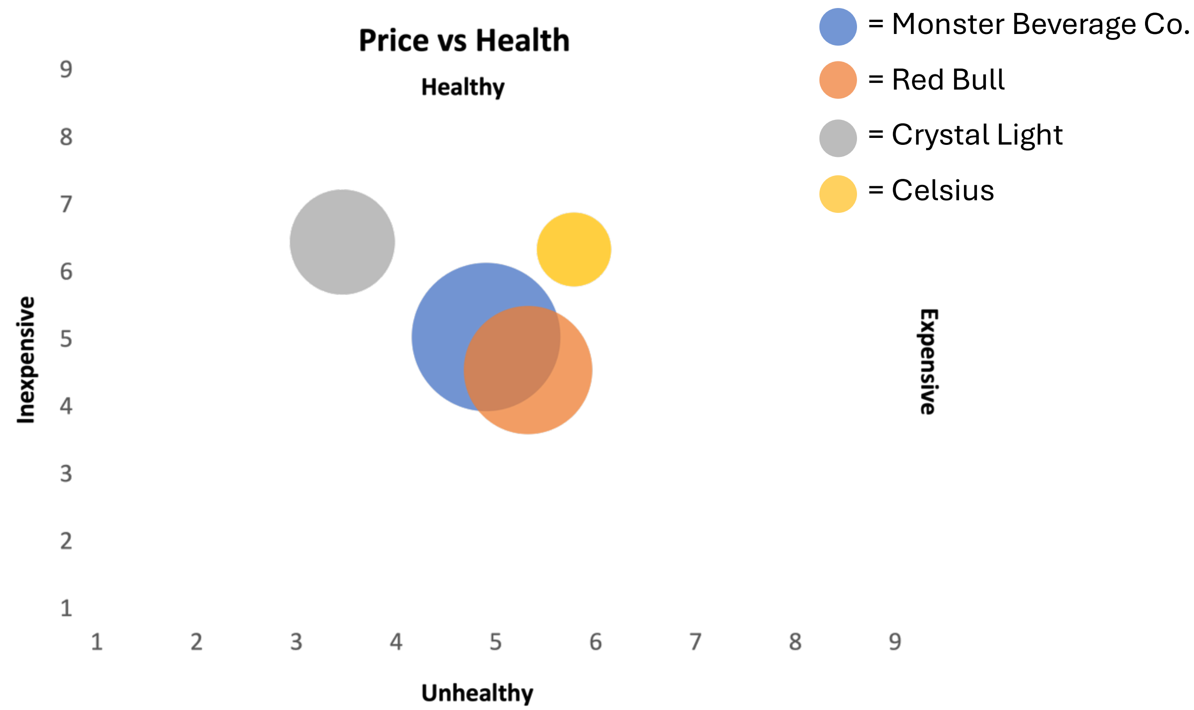
		Utility Estimate	Std. Error
Price	$11.50	.395	.558
	$13.50	.790	1.116
	$16.50	1.185	1.675
Packets	4 packets	.798	.558
	9 packets	1.597	1.116
	15 packets	2.395	1.675
Flavor	1 flavor	.922	.558
	2 flavors	1.843	1.116
	3 flavors	2.765	1.675
(Constant)		.770	1.987

Appendix C: Conjoint Analysis: Importance Values Analysis

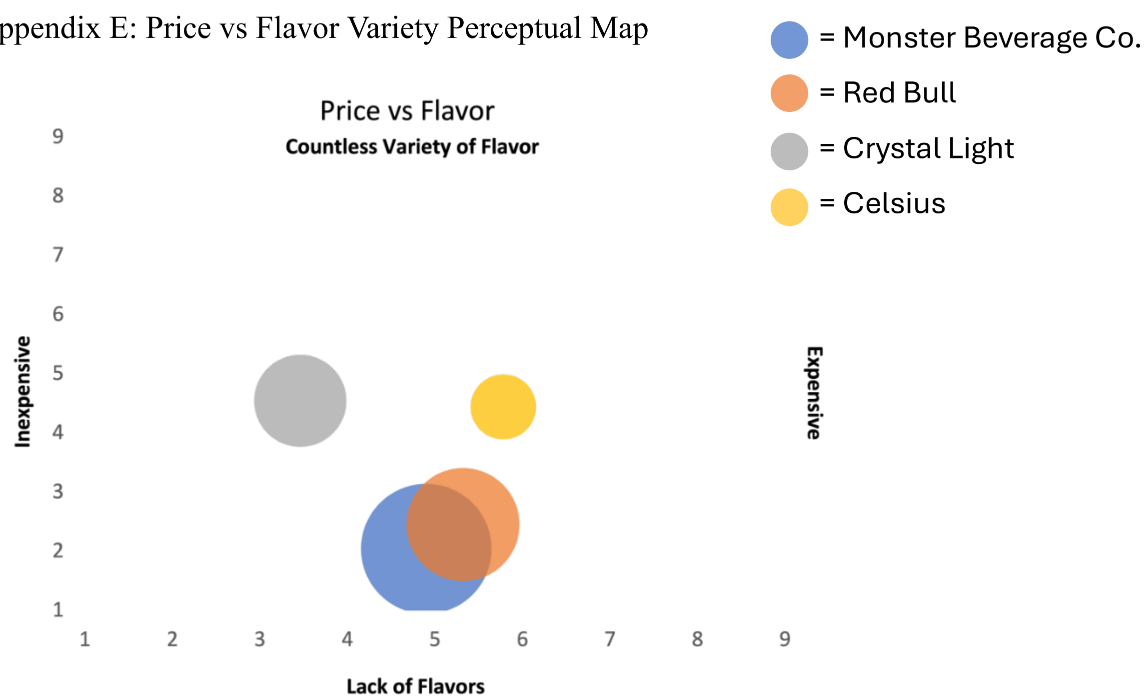
Importance Values

Price	30.842
Packets	30.461
Flavor	38.697

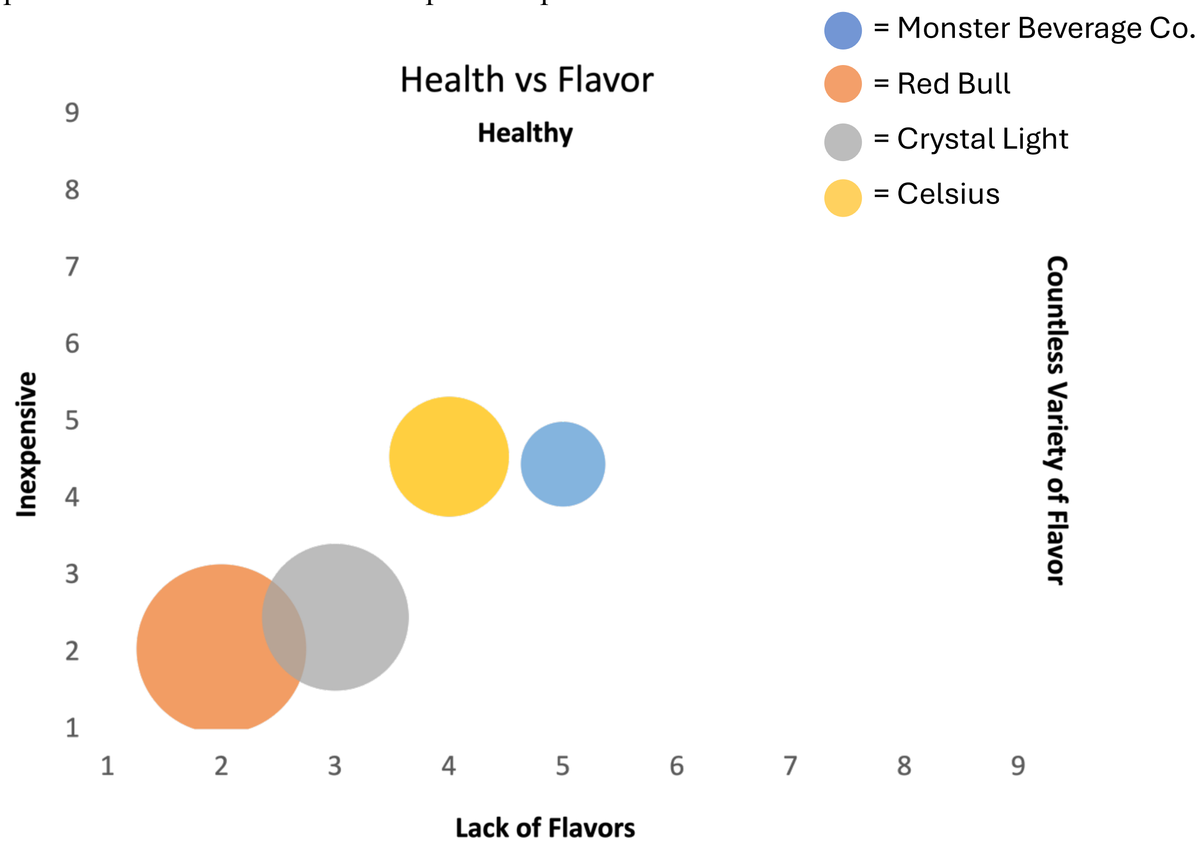
Appendix D: Price vs Health Perceptual Map



Appendix E: Price vs Flavor Variety Perceptual Map



Appendix F: Health vs Flavor Perceptual Map



Appendix G: Perceptual Map: Demographic Data

Perceptual Map Survey Data

Familiarity with Monster

Moderately familiar	14
Not familiar at all	5
Slightly familiar	18
Very familiar	3

Familiarity with Celsius

Extremely familiar	4
Moderately familiar	12
Not familiar at all	6
Slightly familiar	7
Very familiar	11

Familiarity with Red Bull

Extremely familiar	2
Moderately familiar	11
Slightly familiar	17
Very familiar	10

Familiarity with Crystal Light

Extremely familiar	1
Moderately familiar	18
Not familiar at all	4
Slightly familiar	7
Very familiar	10

Opinion on Monster

Dislike a great deal	10
Dislike somewhat	20
Like a great deal	2
Like somewhat	1
Neither like nor dislike	7

Opinion on Celsius

Dislike a great deal	3
Dislike somewhat	3
Like a great deal	10
Like somewhat	13
Neither like nor dislike	11
What is your overall attit..	1

Opinion on Red Bull

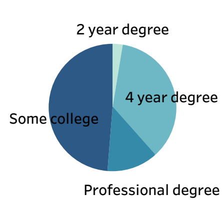
Dislike a great deal	4
Dislike somewhat	11
Like a great deal	4
Like somewhat	13
Neither like nor dislike	8

Opinion on Crystal Light

Dislike a great deal	2
Dislike somewhat	2
Like a great deal	4
Like somewhat	20
Neither like nor dislike	12

Demographic Data

Education



Employment

Employed Full Time	8
Employed part time	11
Student	18
Unemployed looking for work	1

Gender

Female	29
Male	9
Please indicate the ge..	1

Income

\$10,000 - \$19,999	8
\$20,000 - \$29,999	3
\$40,000 - \$49,999	2
\$60,000 - \$69,999	2
\$70,000 - \$79,999	2
\$80,000 - \$89,999	1
\$90,000 - \$99,999	2
\$100,000 - \$149,999	5
Less than \$10,000	10
More than \$150,000	4