

Alcoholic Energy Drinks:

Frequently Asked Questions

What are Alcoholic Energy Drinks (AEDs)?

AEDs are prepackaged beverages that combine alcohol with caffeine, taurine, guarana, ginseng, and other ingredients commonly associated with nonalcoholic energy drinks. They may be malt- or distilled spirits-based. Malt-based Spark, Bud Extra, Tilt, and Rock Star 21 are among the popular AED brands. Pink Vodka and V2 Vodka are examples of distilled spirit-based AEDs. Malt-based AEDs are more common than their-spirits based cousins and have somewhat higher alcohol content than beer (5%-12% compared to 4%-5% for most beer).

What Public Health Risks are Associated with AEDs?

The “energy” component of AEDs includes stimulants, primarily caffeine, that research shows masks the intoxicating effects of alcohol. As a result, consumers may misjudge their level of intoxication and engage in risky behavior. The stimulants also encourage greater consumption (by counteracting the depressant effects of the alcohol), increasing the risk of heavy binge drinking. Young people are particularly vulnerable to these effects, as they are more likely to engage in risk taking behavior generally, including binge drinking, less experienced in gauging the debilitating effects of alcohol, and more at risk of acute alcohol problems, including, traffic crashes, violence, sexual assault, and suicide.

Does the Marketing of AEDs Put Young People at Heightened Risk?

AEDs build on the popularity of nonalcoholic energy drinks, a market which has exploded in the last five years, particularly among young people. Teenagers and young adults are the core consumer group for energy drinks. Thirty-one percent of 12- to 17-year-olds and 34 percent of 18- to 24-year-olds report regular consumption of energy drinks. Adult use of energy drinks drops dramatically with age.

AED marketing mimics nonalcoholic energy drink marketing. It emphasizes non-traditional media and “grassroots” one-to-one communications such as internet sites, chat rooms, logos on merchandise, text messaging, event sponsorship and other communication channels popular with teenagers. Sparks’ marketing plan included a successful effort to encourage consumers to create blogs on such youth-oriented sites as MySpace and FaceBook. Reviews of these websites suggest that Sparks is popular among teenagers. There is only minimal reliance on traditional channels such as television, radio, magazine, and outdoor advertising.

The messages themselves have youth-oriented themes, such as enhanced partying, extreme sport images, sexual attraction, risk taking, and rebellion. The stimulating effects of the product are emphasized. For example, Sparks is packaged in a can that looks like a battery and Liquid Charge’s website has an image of an explosion at a nuclear power plant.

Does the Packaging of AEDs Make it Difficult to Distinguish them from Nonalcoholic Energy Drinks?

Most AEDs are packaged in containers that are virtually identical to those used for nonalcoholic energy drinks, with similar “energy” graphics (e.g., lightning bolts, batteries) brand names, and colors. Rock Star produces both AEDs and nonalcoholic energy drinks. Distinguishing them requires careful inspection to find the alcohol label. Anecdotal reports suggest that many parents, teachers, law enforcement personnel, and retail clerks cannot distinguish the two types of products and may not even be aware that AEDs exist.

Do AED Producers Anticipate Market Growth?

Miller Brewing Company, by far the leading producer of AEDs, is investing heavily in the new category and expects the market to continue its rapid expansion.

How do the Prices of AEDs compare to Nonalcoholic Energy Drinks and Other Alcoholic Beverages?

Using energy drinks as a mixer with alcohol first became popular in bars and nightclubs. These mixed drinks were quite expensive, and the first AEDs were marketed as a much cheaper way to obtain the same final product. In at least some markets, AEDs are cheaper than nonalcoholic energy drinks.

Is the Federal Government Taking Any Action to Address the Marketing and Potential Adverse Health Effects of AEDs Particularly Among Young People?

The Alcohol and Tobacco Tax and Trade Bureau (TTB) has issued an advisory that AED marketing messages that associate the products with increased energy are misleading health claims prohibited under federal law. TTB penalized the McKenzie River Corporation (the producer of Sparks before it sold the brand to Miller Beer) for using the term “alc/energy” in its advertising. However, to date, it has not taken other enforcement action.

What Actions are State Attorneys General Taking?

On August 20, 2007, 30 State Attorneys General sent a letter to TTB calling on the agency to investigate AED marketing. When TTB failed to take action, several State Attorneys General offices started their own investigation, focusing on Miller’s Sparks brand and Tilt and Bud Extra, produced by Anheuser Busch. In response, Anheuser Busch agreed to discontinue adding stimulants to any of its products in June 2008. Negotiations with Miller are ongoing. In September 2008, under pressure from the Attorneys General, Miller agreed to postpone the introduction of Sparks Red, a new AED with higher alcohol content than its regular Sparks brand. Previously, on May 10, 2007, 29 state attorneys general sent a letter to Anheuser-Busch to express concern over the company’s product called Spykes, an 12% AED packaged in 2-ounce bottles with marketing messages that were attractive to youth. Anheuser Busch subsequently terminated production of the product.

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