Analysis and Recommendation for Celsius: Live Fit

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A. Executive Summary

• Company overview

Celsius Holding (founded in April 2004) is an international company, based in Florida, that produces fitness drinks, which contains no sugar, no aspartame, no high fructose corn syrup, and no artificial preservatives, colors, or flavors. Its mission is to become the global leader in the energy drink and flavor sparkling drinks industry. Recently, their market has already reached the United States, Nordic countries like Sweden and Hong Kong. Even though they have positioned themselves as one of the most healthy energy drinks worldwide, they have not gained much attention from the public. Their recent advertisements mainly focus on the idea of "health" since it uses better ingredients than other energy drink brands such as Red Ball.

• Problem Overview

Due to the lack of popularity, people do not pay much attention to their products and do not realize the better use of ingredients. Celsius sells their products both online and offline, but usually, their products are only found in Walmart, Vitamin Shoppe, and Target. As a result, they also have a problem with offline selling and online promotion.

• Research Overview

Through researching demographic behaviors of Celsius consumers, their target audience is mainly aged between 18-34 who always care about their body fitness, including both males and females. Based on the study from MRI, the main reason for the category of respondents who answered drinking less after the breakout of the COVID-19 pandemic is that they always think of calories in what they consume, especially after the lessen exercises. In general, in order to enlarge the customer market scope, introducing low-calorie or zero-calorie sports energy drinks or products will be the most essential means. Moreover, our key media insights would be Instagram. Currently, the Celsius account owns over 0.33 million followers. According to a survey done by Statista, showing that the most popular and easily accessed social media platform targeting the group of 18-34 is Instagram, sharing a total of 55.2% usage among all users.

• Proposed Solution

Our goal is to help Celsius increase their popularity and enlarge its consumer base so that it can earn more profit and realize its marketing goals, which is to lead the energy drink industry. At the

same time, we want to help this company differentiate itself from this competitive market with their current promotion idea "Live Fit" to move into a new industry. Our plans can be included in three parts: redesigning of packaging, cooperation with famous fitness bloggers, and online promotion (especially on social media i.e. Instagram).

B. Model Analysis

- AIDA model
 - Awareness: Celsius energy drink gives aid to inspire those people who want to live fit and healthier by giving them a sustained energy source.
 - Interest: Fitness drink with healthier ingredients, such as no sugar, aspartame, no high fructose corn syrup, etc
 - Desire: Celsius wants to provide these healthier options to consumers to promote a healthier lifestyle, without consuming unnecessary sugars or flavorings. All while creating a tasty product
 - Action: Celsius's goal is to help consumers stay motivated, individually instilled, and globally recognized.

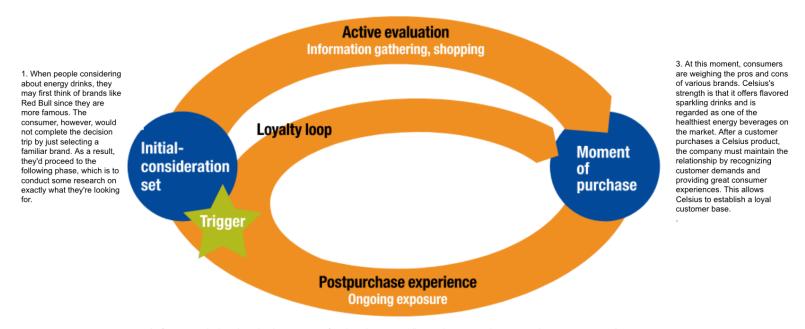
• Consumer Decision Journey

- When consumers are first looking for the energy drink, they might think of brands like RedBull because they are more famous and their brand exposure is more successful than our company. However, the consumer would not end up the decision journey by simply picking up a brand they know. Therefore, they would move to the next step to do some research on what they are really looking for.
- 2. People who cared a lot about their health might spend a lot of time researching which brand contains better ingredients as well as providing enough caffeine that could help them stay focused.
- 3. After doing enough research and comparing different factors, such as price, the convenience of buying, flavor, and ingredients, consumers would finally decide which brand they are buying the product from. Celsius's strength is that it provides sparkling drinks with various flavors and is known as one of the healthiest energy drinks worldwide. As a result, if Celsius's promotion reaches the target consumers, who focus a lot on health issues, it will win the market.
- 4. After consumers buy the products from Celsius, it needs to spend time on maintaining the relationship with these consumers and focus on their experience with the products.

By detecting the needs of customers and providing positive consumer experiences, Celsius is able to build up a loyal consumer base.

- 5. Then Celsius is moving to the next step to promote its products again and try to persuade its customers to buy from them again. Loyal consumers are usually more essential to the company than new customers. As a result, the company needs to pay more attention to these people, such as providing coupons, to show that Celsius is caring about their customers' interests.
- 6. If consumers did not buy products from Celsius, we will go back to the step of brand rejectors to reconsider the brand values delivered to target customers. Why is Celsius a better alternative to other functional drinks? Marketers should take an eye on this question. How Celsius could achieve this goal and keep going to provide energy? After answering the "Why" question, people care about the actions and outcomes or benefits they will receive. Audience demographics are important when managing our market map, we should clear their buying behaviors and how Celsius products could pinpoint consumers' needs.
- 7. Finally, media coverage and continued advertising exposure warrant the following promotion. Choosing a suitable social media page is essential to access our target audience to provide further information and a useful means to persuade them.

People who cared a lot about their health might spend a lot of time on researching which brand contains better ingredients as well as providing enough caffeine that could help them stay focused.



4. Customers who have been loyal to a company for a long time are usually more important to the company than new customers. As a result, the company needs to devote greater attention to these individuals, such as by offering coupons, to demonstrate that Celsius is concerned about their requirements. If consumers do not purchase Celsius products, we will return to the brand rejectors stage to reconsider the brand values presented to target customers. The corporation should be clear about their customers' purchase habits and how Celsius products may help them address their demands. Finally, continual media exposure and advertising exposure necessitate the following promotion in order to supply further information and a useful means of persuasion.

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C. Situation Assessment

• Industry Trend

The global trend of the energy drink industry was valued at \$45.80 billion in 2020 and is projected to reach \$108.40 billion by 2031, growing at a CAGR (compound annual growth rate) of 8.2% from 2022 to 2031. Since people increase their awareness of personal health and begin a change to healthier lifestyles, health wellness products are expected to fuel the market growth in the near future.

• SWOT Analysis

- Strengths: Healthy energy drink, easy access to purchase via numerous convenience store brands (easy to differentiate from other companies since it can help you to boost metabolism). Our idea provides a way for consumers to live in a better and healthier life.
- Weaknesses: Not very well known compared to other leading brands, for example, RedBull, Monster Beverage. In the case of price, Celsius drinks are less friendly compared to competitors, largely lessening potential customers.
- Opportunities: Room to grow, as a newer brand Celsius can market and promote themselves in a new and innovative way to maximize consumers (the whole market is growing so they have a lot of potential.) Celsius uses natural ingredients as product sources to guarantee customers' satisfaction.
- Threats: Other well-known competing brands have years of experience and loyal consumers, the goal is to take on some of these loyal consumers to help promote our brand.

• Barriers

Celsius is trying to sell products to people between the ages of 18 to 34; however, only young adults are fans of buying energy. Many adults are paying attention to their health and are willing to lose weight, but they did not realize that energy drinks like Celsius can actually help them boost metabolism and prevent fatigue. Therefore, helping their target market group to realize the benefits of purchasing this product is essential.

• Strategies to overcome the barriers

- Improving the packaging will be our first priority; the original packaging did not reflect the brand's key identity, and as consumers browse among the brands, Celcius would not be the one that stands out or draws their attention. What we're attempting to do is modify the brand motto and prominently display it on the packaging to emphasize the brand's features; we're also attempting to make the packaging more professional.
- It's also crucial to get your name out there on various social media channels.
 Celcius can launch a Tik Tok challenge or tag in which other Tik Tok users can join in (e.g. 30 days challenge: drink Celsius as well as doing exercises).
- Collaboration with celebrities can aid in the promotion of a brand. Increase brand awareness by releasing a series of documentaries in collaboration with fitness-loving stars or sportsmen.

• Drivers

Celsius is known for its healthy ingredients and effective thermogenic properties. According to the research, Celsius has thermogenic properties which help make it one of the most advanced energy drinks and are proven to increase metabolism and make the nervous system more active, causing your body to burn more calories and body fat. It's compiled for ginger root, guarana seed extract, chromium, vitamins, and green tea extract with a specific ratio of EGCG (epigallocatechin gallate). Overall, Celcius' work is reducing body fat, increasing your endurance, and providing greater resistance to fatigue. Our goal powers active lives every day.

• Competitors

- Direct Competitors
 - Energy drink company: Companies like RedBull and Monster Beverage
- Indirect Competitors
 - Flavor sparkling drink company: Companies like The Coca-Cola and PepsiCo

• Current users, Non-users & Competitive Users

- Current Users
 - Most of the current users are young adults who really focus on health issues and want to live a healthy life. Currently, since Celsius's consumer

base is only the younger generation, they expand their market across college campuses, gyms, and grocery stores.

- Non-users & Competitive Users
 - Young adults are fans of energy drinks and they usually buy energy drinks to avoid fatigue since these products contain large amounts of caffeine. What makes Celsius different from them is that Celsius pays a lot of attention to helping people lose weight rather than just helping them to stay awake and become energetic. For people who have no need for Celsius, we researched that this category is often people who care less about fitness, health, and always hold random lifestyles. Among those people, energy drinks cannot be an aid to their daily lives. Be more concise, they don't need drinks to motivate their work or fitness.

D. 4Ps and 4Cs

- 4Ps
 - Price: The price of Celsius has risen by 11.07% in the past 7 days. The current price is \$4.35per CEL. Celsius is 45.73% below the all-time high of \$8.02. (from google) We can market Celsius for single cans, \$3.50, and for packages from \$20-\$50, (depending on size). Celsius powder packs sold in bulk for \$15. We want to appeal to the most consumers possible, so having a relatively inexpensive price compared to other brands will show that we value appealing to our customers rather than having a niche customer base.
 - Product: We will be selling the canned drink and multi packs of Celsius, as well as the newly released powdered version of their drinks, which can be added to water.
 - Promotion: Marketing to younger audiences via social media sites, utilizing influencer collaborations to gain a more mass following. Also introducing the concept of events, we can hold events featuring celsius such as at sporting events (olympics, local/national competitions,etc)
 - Place: Similar to price, we want to appeal to the most consumers possible, so selling our product at grocery stores, convenience stores, school dining centers, etc will help us to gain the most following. Since we are utilizing more of a social media marketing approach, we would market our promotions from more of a global standpoint, as social media is everywhere, not just one location.

• 4Cs

- Consumer: Upon releasing our products, we will value customer reviews and opinions. Working to create new products that satisfy their opinions or any problems we encounter will help us to gain customer loyalty as well as new users based on conversation of consumers expressing how great our product is.
- Cost: Utilizing an online platform, consumers may also need to pay shipping on our products to make sure they are delivered to wherever they may live. Some consumers may need to travel via car, bus, walking, etc to a post office to pick up their purchases if they are unable to have Celsius delivered to their door.
- **Communication:** Consumers want to hear that the product is good quality, tastes great, and works. We are marketing as an energy drink, so hearing how

energized Celsius can make you feel will help to persuade consumers to purchase our product rather than other competing brands.

 Convenience: For consumers on the go to work or to a workout class, they need a product they can run into a store and purchase within minutes. Selling Celsius in CVS, Target, or other brands will allow for a faster purchase compared to having to wait for someone to bring this product to them. Offering Celsius on Amazon compared to a traditional online ordering website will allow for consumers to purchase and receive their product in a quicker time frame as well.

E. Media Objectives/Challenges

• Business Objectives/Challenges

The business objective is to help Celsius to become a leading brand for energy drinks. As a new brand, this is the perfect opportunity to market Celsius to the right audience and gain the proper following. The challenge is that there are already a lot of successful energy drink brands that have done well and have many loyal consumers.

• Marketing Objectives

- Appeal to older audiences (ages 24-30) by 10% by the end of 2022
- Promotional collaborations with select celebrities to spread brand awareness (3 people a month)

• Communication Objectives

- Increased number of ad interactions per month via social media by 20% after the first four months of online promotion
- Increased website traffic/link clicks by the end of the online promotion period
- Positive work environment, monthly surveys to assess

• KPIs related to the campaign

We focused on appealing to our young audience, as well as adding an older audience as a goal to reach towards. We focused on the marketing aspect of our campaign by being sure to increase our ad interactions, website traffic, link clicks, and promo collaborations with selected celebrities. We want to make sure we foster a positive work environment as well so that everyone can work together to elevate Celsius.

F. Target Audiences Insight & Research

• Calories

Based on the study from MRI, the main reason for the category of respondents who answered drinking less is that they always think of the calories in what they eat, which means the introduction of low-calorie or zero-calorie sports energy drinks will greatly increase the consumer range of the market(MRI, 2018).

• Price

Moreover, according to the factors of purchasing energy drinks, coded by gender, the multiple results show that both females and males care for the brand the most, which transcends the factor of the price. However, when considering only price and only brand, respondents reflect that they care more about the price only(Statista, Aug 2016). Comparing the price of Redbull, the top energy drinks brand in the United States, and Celsius, Celsius is 4 dollars more expensive than Redbull when selling in the same pack.

• Buyer Persona

- Name: Arthur
- Gender: Male
- **Age:** 27
- Country: America
- Education: Bachelor's degree
- **Occupation:** Computer Engineer working 40-56 hours per week
- **Habit:** Exercising is his second passion, aims to work out 3-4 times per week and values clean eating and supplements for maximum performance.
- Living situation: Lives with girlfriend in Boston, belongs to a gym via membership
- Internet using: Constantly browses Instagram, Facebook, Twitter, YouTube.
 Because of his job, Arthur's life cannot live without the Internet, and it's always his first choice when looking for a new product he wants.
- Looking for: Healthier lifestyle, losing weight
- Other useful information: Enjoys trying any healthy or energetic foods that can strengthen his body. Looking for something he could take on the go to and from workouts, for example, Celsius!

G. Media Habits & Social media Research

For our social media analysis, we looked into how Celsius is comparing to other competing brands, as well as how they stand on their own. Using social searcher as well as google trends we were able to create a holistic report that looked at Celsius's mentions, sentiment ratio, peak demand, as well as national data. Based on our findings, we were able to recommend what we believe is the best approach celsius could take to market itself more effectively.

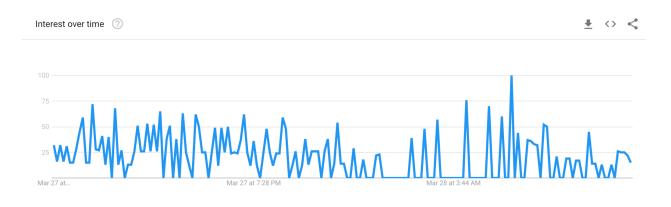
• Popular Search Terms

People usually search for metabolism and other energy drink brands. By comparing with other companies, Celsius can help accelerate metabolism, which might bring advantages to people who consider a lot about fitness and health. At the same time, people are asking the amount of caffeine it contains so that it might also be a great idea to market this point. The strength of this company is that it usually contains more caffeine than other energy drink brands as well as providing amounts of vitamins and minerals. Therefore, focusing on the idea of health could be a method for branding and marketing.

Related topics ⑦ Rising	• • <	Related queries ⊘	Rising 🔻 🛓 <> 🔩
1 Metabolism - Topic	Breakout	1 zoa energy drink	+850%
2 Reign - Drama series	Breakout	2 how much caffeine is in a bang	+450%
3 Electrolyte - Topic	Breakout	3 celsius vs alani nu	+400%
4 Dr Pepper - Topic	Breakout	4 3d energy drink	+400%
5 ZOA Energy Drink Zero Sugar - Topic	+750%	5 ghost energy drink	+350%
< Showing 1-5 of 7 topics >		< Showing 1-5 of 22 queries >	

During the past 12 months in the United States, the period Dec 19-25, 2021, peaks the highest demand for Celsius' product category, food & drinks. Generally, based on the data from the past 7 days, people search the term "Celsius" every 3 hours. Looking at it in terms of time, people in the United States didn't pay much attention to Celsius. We can see that Celsius has only 31 on its topmost interest through websites in the past hour, and average has only 3, which is absolutely rarely mentioned. While the frequency of interest searches and mentions is not low, the overall number of the brand is too small to publicize its name. We recommend that Celsius must target more advertising on social media, especially Instagram and YouTube, and also aggregate the offline posters or ads in Nevada, Wisconsin, Florida and so on.

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H. Integrated Communication plan

• Connections Plan & Pathway

- Issue: the issue we face is a low awareness in this marketplace, food and drinks, and we get huge competition against our matured and powerful competitors, like RedBull, Monster.
- Response: The response we need to evoke is to help our consumers live a healthier life, creating a sense of satisfaction and regularity; we need to tell them how to form healthy eating habits to reach a better life.
- Communication: the way we will reach this is through constant message publicity to enhance awareness of our brands, products, and business philosophy, and then remind them of this message when they need to live in a healthier life.



Pathway

Measurement Plan

- Reach goal: "Celsius LiveFit" campaign will reach 90% of its target audience within 15-week period with an average frequency of 12.
- Social Media goal: Celcius will launch a Tik Tok challenge or tag and in which other tik tok users can join in, gaining a new following of 30 million total followers. We will also put more advertisements on Instagram, YouTube, and Twitter to increase the followers to 60 millions by the end of the campaign.
- Brand Interactions: Increase the number of conversations, Internet terms research, and so on about Celsius on social media by 150% through 15-week campaign.
- Business goal: Increase the sales and awareness of Celsius products by 20% from last fall over the 15-week period of the campaign.

• Touchpoints/Media Channels/Communication Strategy

We will choose Instagram as means of communication to reach our potential customers. In order to correctly pinpoint the customer scope, we will use big data as an algorithm ahead to post our ads or promotion information when the target audience browses in story. Moreover, we will propagate the posts to potential users based on the data results. Lastly, for the sake of exposure, we should collaborate with some influencers whose channels are opening for fitness and health-focused people, like romee strijd, madfit, chloe_t, pamela, and so on. Among these influencers, we plan to collaborate with different races to keep our products' exposure internationally.

The core information of our propagation: Please stop hurting your body. Losing weight by dieting will only make your healthiness worse. What we need to do is stop body anxiety and live a better life in a scientific way. Drinks may sound unhealthy, but Celsius sports energy drinks can help you burn fat quicker and better. Our job is to provide you with an opportunity to strengthen your muscles and prevent loss of power.

• Budget Allocation

- Cooperation with bloggers: Raising people's attention to our product is the most essential thing we need to do. Therefore, our team decided to spend most of the budget on this part. According to our research, a general rule of how the bloggers charge is \$100 for every 10,000 pageviews. Therefore, we are looking for cooperation with 10 famous fitness and health-focused bloggers who have more than 5,000,000 pageviews a month. As a result, we decided to invest \$4,000,000 in the collaboration with these people to expand our awareness.
- Online promotion: Online promotion, especially on social media like Instagram, is also an essential part for us to increase brand awareness. To promote on Instagram, we need to pay \$0.20 to \$2 per click and \$6.70 per 1000 impressions, which costs a lot to gain our target audience's attention. Therefore, we decided to spend \$20,000,000 on Instagram promotion. Half for clisk through rates and the other half for impression rates.
- Redesign Package: Since it is sometimes challenging for people to realize what Celcius is selling based on its packaging, we decided to redesign its outfit to make it clearer. Therefore, we decided to spend the rest of the money, which is \$1,000,000, on the redesign.

I. Duration & Timing of Campaign

Our campaign would start on 20th May 2022, and end on 31st December 2022. Therefore, we have seven months for our promotional campaign. Since summer would be a good time for people to do daily exercises and focus more on fitness, our team would put most of our attention on the summer promotion, but we will still keep doing promotions during fall and winter to keep our target audiences' attention on our brand.

Schedule

- 20th May 2022: The start of cooperation with famous bloggers and appeal to older audiences (ages 24-30). The cooperation with them will end by 31st December 2022.
- 10th July 2022: As people gained a general idea of the brand from those fitness bloggers, we decide to step further and do more online promotion on social media such as Instagram to gain more attention from the public. Since summer is the time that most people would choose to do exercise, we decide to spend most of our budget in July and August to maximize our investment of returns.
- 5th, October 2022: This is the last two months of the promotional campaign and we have already gained much attention from our target audiences. To refresh people's general idea of our company and keep in mind that Celsius sells flavored energy drinks that are good for health and can help to boost metabolism, we decide to change the design of our package. This is an excellent method for branding and increase the awareness of our products.
- 1st December 2022: All of the promotional campaigns will end on this day and our team will start analyzing the data we collected to see the success of this promotion, which can provide insights for future promotion plans.

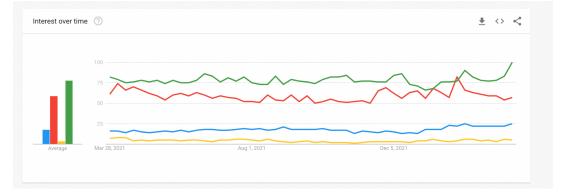
J. Conclusions&Recommendations

• Insights

We decide to focus on the group of people who are between 24-30 as our promotion target audience. For these people, only 29% of them have taken the energy drink, and usually, the reason they do exercise is to lose weight in the first place (26.2%). Many of them reported that they would do anything that can keep themselves healthy, but surprisingly, only 14.5% of this group of people have ever tried the energy drink. Therefore, we figured out that these people did not aware that energy drink like Celsius is good for health and losing weight. When we dig deeper, we figured out that 48.3% of the people between 24-30 years old consider themselves trustworthy, competent, and reliable. The most fascinating thing is that 70.8% of those who consider a lot about their health consider competence as their most representative characteristic. As a result, we felt that changing the package of the energy drink, which no longer makes them look childish would probably be a good way for expanding the potential customers. At the same time, adding more eye-catching slogans to help them realize that Celsius's energy drink would be a wise option for staying healthy and losing weight.

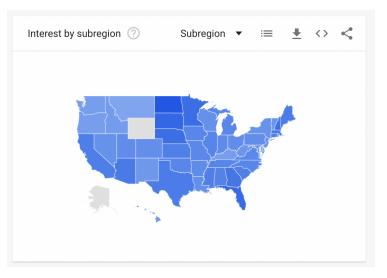
• Recommendation for Comparisons

We compared Celsius with Dr. Pepper, ZOA Energy Drink and RedBull. It is obvious to see that this company is not leading the market, so it is important to figure out a way to differentiate itself from the market.



Related queries ⑦ Rising ▼	\pm \leftrightarrow \triangleleft			
1 niacin	Breakout			
2 how many celsius can i drink a day	+950%			
3 zoa energy drink	+650%			
4 celsius drink ncaa	+650%			
5 is celsius alcoholic	+350%			
<~ Showing 1-5 of 13 queries $~$ >				
Related queries ⑦ Rising	• • <			
6 3d energy drink	+300%			
7 celtics	+250%			
8 is celsius an energy drink	+250%			
9 is sucralose bad for you	+200%			
10 how much caffeine is in a bang	+180%			
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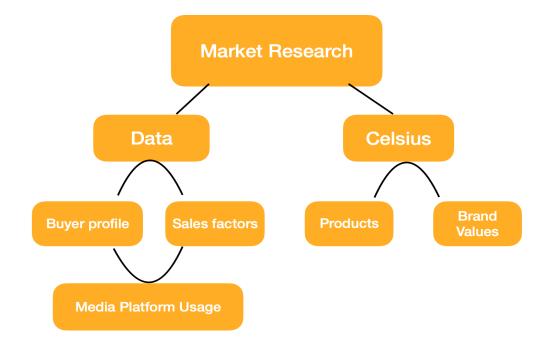
From these searches, we can see that a lot of people did not realize Celsius is an energy drink brand. Therefore, we need to put more effort into promoting the idea that Celsius can work better than other energy drink companies. Interest level ranges state by state, but North and South Dakota, and Florida are the 3 leading states with the most interest, with 100, 85, and 81. Montana is the lowest, with 33, but typically most states range from 50-70. Clicking state by state you can see specifically which regions are showing most interest and when this rise in interest came to be. For example, New York has gradually increased interest from November 2021 to present, with areas such as Rochester, Buffalo, and Syracuse leading their interest levels.



To gain more market share in the future, we can start promoting region by region to gain more attention. North Dakota could be a great starting point since people seem to have the most interest in this brand throughout the whole country.

K. Appendix

• Research Tree



• Citation

Kadam, A., & Deshmukh, R. (2022, March). *Energy Drinks Market Size, share & growth: Industry report, 2031*. Allied Market Research. Retrieved April 25, 2022, from https://www.alliedmarketresearch.com/energy-drink-market#:~:text=The%20global%20ene rgy%20drinks%20market,ginseng%2C%20guarana%2C%20and%20others

Social Buzz – Free Social mentions search and monitoring. (n.d.). Retrieved April 25, 2022, from https://www.social-searcher.com/social-buzz/?q5=ceisius