

Energy Drink Industry: Market Competition, Digital Transformation in the Marketing Reshaping and Strategy Optimization

Chentong Pan*

School of Cogdel, Cranleigh School Changsha, Changsha Hunan province, 410000 China

*Corresponding author: 03018045@sfcollge.edu

Abstract. Energy drink has become an increasingly popular drink in the global market. In the context of digital transformation, the successful marketing strategies of the energy drink industry is one of the significant factors contributing to their popularity. This article aims to analyze the current market competition and market shares of major companies in this market. Red Bull and Monsters are two leading brands in the global market, holding nearly 80% market shares in American market. Besides, in local energy drink market, Dongpeng Special Drink is a strong competitive brand. This article explores their main marketing strategies including sport sponsorships and social platform marketing. Apart from these, this paper also examines some existing problems such as insufficient brand differentiation, security risks and data fragmentation. To solve these problems, this paper offers some suggestions about technology improvement and positioning differentiation to help businesses to gain more development opportunities. Conducting the research about marketing strategies in energy drink market provides a practicable way for small and medium-sized enterprises to implement digital transformation. Meanwhile, it can provide theoretical value by enriching related research.

Keywords: Energy Drink; Market competition; Competitive brand.

1. Introduction

1.1. The rapid development of the energy drink industry

The global energy drink market has undergone a remarkable evolutionary trajectory since its inception. Emerging in the 1980s with products centered on high caffeine concentrations to meet basic energy-supplement needs, the market has subsequently shifted toward a health-oriented and functional development direction—a transition marked by the rising popularity of sugar-free and calorie-free variants that align with modern consumers' growing focus on wellness [1].

Driven by sustained growth in consumer demand, the energy drink market has witnessed a surge in new entrants, intensifying market competition to an unprecedented degree. Geographically, North America, Europe, and the Asia-Pacific region have solidified their positions as the three core markets of the global energy drink industry. Within these markets, industry giants such as Red Bull and Monster have maintained dominant status by continuously investing in product innovation and expanding their product portfolios to cater to diverse consumer preferences. Meanwhile, both established second-tier brands and emerging newcomers have actively sought to carve out their market share through differentiated strategies, further fueling the fierce competitive landscape [2].

1.2. The impact and opportunities of digital transformation trends

Against this backdrop of market evolution and competition, digital transformation has emerged as a defining trend reshaping the broader beverage industry, presenting both challenges and opportunities—particularly for traditional beverage enterprises. On the one hand, these enterprises face significant barriers to digital adoption: a lack of access to cutting-edge technologies hinders the upgrading of their internal systems, making it difficult to integrate new digital sales methods; the reconstruction and expansion of digital sales channels require substantial financial investment, straining budget allocations; and a shortage of professionals with expertise in digital strategy and

implementation leaves many enterprises without clear leadership to drive transformation initiatives [3].

On the other hand, digital transformation also unlocks valuable opportunities for the traditional beverage industry. A key advantage lies in its ability to enhance consumer engagement: through mobile applications and social media platforms, enterprises can establish direct, real-time interaction with consumers—facilitating feedback collection, personalized communication, and the cultivation of closer brand-consumer relationships. Additionally, digital tools provide a powerful impetus for product innovation: data analytics, for instance, enables enterprises to gain deep insights into consumer preferences and market trends, guiding the development of new products that better match market demands [4].

1.3. How digital tools are reshaping energy drink marketing

In recent years, the advancement of technology (artificial intelligence, augmented reality, virtual reality and direct to consumer sales channels) allows energy drink industry to achieve personalization and give sense of engagement to customers.

- Artificial intelligence creates personalized experience for consumers, allowing them to find out their preferred tastes. By analysing these data, brands can offer targeted promotion.

- Augmented reality and virtual reality are used in marketing strategies more frequently. AR and VR create an atmosphere for consumers to engage various activities such as interact with brand ambassadors and create immersive experiences [5].

- The expansion of e-commerce has shifted energy drink marketing to sell directly to consumers. In 2025, many beverage businesses develop online marketplaces and their own websites to sell drinks.

1.4. The contribution to research and practice

Against the intersecting trends of energy drink market evolution and industry-wide digital transformation, this paper aims to explore how energy drink enterprises—both established players and new entrants—can navigate the competitive landscape by leveraging digital opportunities, addressing transformation barriers, and optimizing their strategies to achieve sustainable growth [6].

1.5. Changes of marketing strategies

In the context of digitalization, online marketing and artificial intelligence has become the main method for beverage industry to promote their products. Now many companies focus on customer experience when developing a marketing strategy. They combine technology with product innovation and advertising to increase consumer purchasing experience and win brand loyalty. Besides that, an increasing number of businesses advertise on social media to drive consumer interest. Energy drink brands share information on social media including new products and sales promotion to increase brand awareness. Also, some brands attract targeted customers by cooperating with social media influencers or celebrities on the internet. These cooperators can help publicize brands and attract fans to buy energy drinks. For instance, Rockstar Energy Drink collaborates with famous figures in different fields to amplify brand popularity. These notable people show Rockstar online so their followers may purchase this energy drink. This campaign drives traffic to different platforms of Rockstar such as Instagram, Facebook, and Twitter. This clearly shows that Digital transformation provides a new way for businesses marketing models [7].

2. Literature Review

2.1. Marketing characteristics of the energy drink industry

In the global energy drink market, beverage businesses formulate strategies to deal with fierce competition and create brand image.

One of the skills they use is to co-branding with other corporation or sponsor sport races to increase popularity. Take Red Bull as example. Red Bull sponsors extreme sports events, such as Red Bull Air Race and the Red Bull Cliff Diving World Series. These activities link Red Bull with high adrenaline, then the brand built a vibrant and exciting brand.

Another obvious characteristic in energy drink industry is online advertising. Social media is a useful tool for brands to enlarge their brand influence. Brands share intriguing content on social platform and interact with customers. This helps them to reinforce customer relationships and further amplify its brand reach [8].

2.2. Main customer group

Research have shown that the major consumer group of energy drink industry are people between the ages of 18 and 34. Most of them are athletes, students and professionals. This age group are usually busy and active in daily life. They have tight schedules everyday so energy provided by these energy drinks can support their daily tasks. According to the research, nearly 34% of university students purchase energy drinks regularly because of its benefits, including the improvement of energy and increase in concentration.

2.3. Brand competition in the industry

There is intense competition in the world energy drink market. Several companies, especially Red Bull and Monster, control the major part in the market. In the USA, Red Bull and Monster hold about 80% market shares.)

Besides them, Rockstar, Bang, The Coca-Cola Company and other businesses also participate in market share competition. Their strategies focus on sports races, marketing activities and regular introduction of the products. These companies invest large amount of money in marketing, promote innovation of the products and try to reduce cost to achieve lower price. If a business sells similar goods in lower price than its competitors, consumers are more willing to switch to this good and this brand is possible to gain higher revenue [8,9].

2.4. The impact of digital technology on traditional marketing models

Digital transformation is now changing the operational models of various industries. It offers a different advertising channels for corporations and promotes the continuous development of them. Traditional marketing uses offline adverting method such as radio, television and billboards to reach targeted customers. In contrast, digital marketing relies on dissemination of online information. Businesses can advertise on social media platforms or utilize live streaming e-commerce to increase sales. Digital transformation gives a chance for businesses to increase customer experience and create new values. Today many brands turn to develop online marketing channels to satisfy changing market trends, while other businesses that cannot adapt this transformation may still stay in traditional marketing methods and lose market competitiveness.

In order to enlarge product information coverage, beverage industry usually establish their own websites and post information about their commodity online, or interact with customers on social media platforms, such as holding promotional gift events and responding to the reviews. Digital marketing allows corporations to attract consumers, improve brand awareness and build relationship with consumers. Online sales channel is helpful to brands to enhance consumer brand loyalty [10].

2.5. Insufficient systematic research

Although the consumer base for energy drinks is expanding, the research on the consumption motivations and habits of different consumer groups is still not enough. For example, research on brand preferences, preferred purchasing channels, and packaging is insufficient. Meanwhile, in terms of production, the changing market demand brought by digital transformation leads to high demand for supply chains. Studies about ability to adapt the market trends and providing goods in a time need further research.

3. The current market status of the energy drink industry

In the fast-paced lifestyle, energy drinks are becoming increasingly popular among people because they can quickly provide energy. These beverages contain ingredients such as caffeine, taurine, B vitamins, and amino acids, which can increase physical reflexes and maintain alertness. With the increasing demand for energy and the enhancement of health awareness, demand for energy drinks rises rapidly and energy drink market has expanded. It is predicted that in 2033, the global energy drink market will gain USD 186.7 billion, with a CAGR of 7.7% by comparing to USD 88.9 billion in 2023.

Energy drink market has been divided into several markets by region. The U.S. energy drink market is expected to increase in CAGR of 7.1% between 2025 and 2030. It exists many world-famous brands, such as Red Bull, Monster Energy, and Rockstar. In Europe, growing demand for sports, fitness and vibrant lifestyle have stimulated consumption of energy drinks among athletes and sports enthusiasts. As for Asia Pacific area, many countries start to urbanize, and their rapid growth has led into busy lifestyles. As a result, people often seek for energy drinks to maintain their daily activities. The CAGR in the market is expected to reach 9.7% from 2025 to 2030.

4. Case Analysis

4.1. Red Bull and Monster

Red Bull is recognized worldwide for its distinctive marketing strategies, which center on extreme sports and digital platforms. The brand strengthens its association with vitality, adventure, and excitement by sponsoring events such as the Red Bull Air Race and the Red Bull Cliff Diving World Series. Moreover, through its subsidiary, Red Bull Media House, the company produces diverse content including event documentaries and sports educational materials, distributing them across platforms such as YouTube and Douyin to reach a broad audience base. In addition, Red Bull has developed virtual reality (VR) extreme challenge games that provide immersive digital experiences, enabling customers to interact with the brand directly and enhancing user engagement and loyalty. Monster, on the other hand, primarily targets a younger demographic through social and cultural marketing initiatives. Sponsorship plays a central role in its strategy, with the company collaborating extensively with music festivals and rock bands to boost brand awareness. Another key pillar of its marketing approach is influencer marketing. By partnering with well-known athletes in extreme sports, Monster not only broadens its reach but also enhances its brand reputation. These collaborations help the company build connections with the established fan bases of influencers, thereby attracting new customers and reinforcing consumer loyalty.

4.2. Local brand case

The marketing strategies of Dongpeng Special Drink emphasize short videos and youth culture. The brand showcases its products on short video platforms like TikTok to increase popularity and expand awareness. It was also the first to launch the “Scan to Win Red Envelopes” activity, which not only boosted sales but also accumulated user traffic through the WeChat mini program. In addition, Dongpeng Special Drink sponsors esports professional leagues to engage with the younger generation through event integration, team co-branding, and other initiatives. In 2023, it introduced a co-branded version to increase sales revenue and enhance brand exposure [11].

5. Problem Analysis and Suggestions

5.1. Existing problems

Many brands focus on the single function of 'refreshing and anti-fatigue', leading to homogenization of digital content. For example, they all focus on showing products in sport scenes. Also, the

positioning of local brands overlaps with that of international brands. Both local brands and international brands advertising their products on social platforms and positioned the brands as lifestyle brands.

The brand operates independently on different accounts, lacking a unified user data platform. Data of users on different platforms may vary so businesses are difficult to obtain complete information about consumer demand and investigate market trends.

In the context of digital transformation, some companies collect users' location, consumption habits, and other privacy data excessively. This invades personal privacy and may cause great losses to consumers if some people use this information to defraud people. And there also have some risks that data might be leaked because of the imperfection of data storage and transmission technology.

5.2. Suggestions for optimizing marketing strategies

Businesses can introduce low-sugar and plant-based healthy energy drinks to meet consumer demand for healthy drinks. This can help brands to focus on the 'healthy energy' market to achieve market segmentation and functional differentiation. Besides, brands could explore the demand for “emotional energy” and develop products to alleviate anxiety and enhance concentration. Thinking about local brands, they can integrate regional culture and create featured products. This allows them to demonstrate brand features and attract more cultural enthusiasts.

Building a unified platform is beneficial for companies to collect data and integrate online and offline data. This ensures them to receive more comprehensive data and achieve content collaboration across different channels.

Artificial intelligence is becoming a useful tool in digital marketing. Businesses use AI to achieve personalized recommendations. For example, websites can push promotions on the basis of consumption habits. Moreover, businesses should strengthen data security, such as complying with the Personal Information Protection Law, using encryption technology, clearly defining the scope of data use and so on.

One of the marketing methods is binding with some scene IPs including esports, cycling and camping. This allows brands to create diversified consumption scenarios and improve consumer experiences. Consumers might associate energy drinks with these scenarios so when they are in these scenarios, they may think of energy drinks.

6. Conclusion

In the context of digitalization, the energy drink marketing shows a trend of 'diversified content, interactive scenarios, and data-driven decision making'. Businesses introduce various new products and improve the functionality of energy drinks. They develop new technology such as AR and VR to enhance consumer engagement and hold some activities to promote their products. Businesses also collect data about consumer preference and market trends to make decision.

Also, international brands and local brands have different marketing strategies. International brands build competitive barriers with "IP and content" to maintain market shares, while local brands break through with "localization and traffic conversion."

About its practical value, research provides feasible digital marketing pathways for small and medium-sized energy drink companies. Compared with large companies, these companies may not have sufficient capital to explore digital marketing pathways. The research can give an instruction for them to implement digital marketing.

Moreover, this research also has theoretical value. It can enrich digital marketing research by analyzing the core marketing strategies of international brands and local brands. This explores differences between marketing strategies of different corporations and shows their features.

There is a technology trend that AI-generated content and metaverse scenarios will become a new growth point in marketing. Brands use technology to show their products to customers and attract customers to interact with brands. Meanwhile, increase of consumer demands for health,

personalization, and sustainability will also drive continuous innovation in marketing models. Businesses will improve ingredients of energy drinks and promote sugar-free and calorie-free variants.

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