

The background features abstract, overlapping shapes in shades of green and orange. A thin, wavy yellow line meanders across the page. Small, scattered dots in green, orange, and black are also present.

Situational Analysis

- JOUR 382

By Abby, Nicole, and Sarah

Client: Celsius

- Celsius is a premier energy drink brand that focuses on a healthy fit lifestyle
- Their mission statement is to inspire those who want to live fit by giving them a sustained energy source specially formulated to work with your body to help you reach your goals.
- The brand has centered its values around the ideas of a live-fit, community, and healthy lifestyle



Situational Analysis


- Celsius was involved in a lawsuit caused by the company claiming the drink had no preservatives when it included citric acid. This led to considerable negative attention and spread through the media because people who had bought Celsius were entitled to a \$250 payout if they provided receipts. While the company argued that the citric acid was for taste, they still settled to pay because it is still considered a preservative.

Submit a Claim


1. Registration
2. Product Selection
3. Purchase History
4. Settlement Options

Product type(s) you have purchased between January 1, 2015 and November 30, 2015

Celsius Canned Beverage



Celsius Powdered Beverage



(Not all varieties pictured)

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In-Depth Interview

Research Question: “What are students’ feelings and thoughts about customer trust surrounding the recent lawsuit?”

Interviewee: Leah Kahana a 21 year old female Ball State Student

Reason: Leah is familiar with Celsius products and has been a customer of theirs before. Leah has a dining plan on campus, so she has had experience buying products on campus. Overall, Leah should know about Celsius and a little about the lawsuit since she has been a loyal customer before.

Interview Quotes

ABBY: “Did you enjoy the product? Why or why not?”

LEAH: “I did enjoy it because it energized me and got the job done. It was also cheap and available in the dining hall so that I could use my dining cash on them.”

ABBY: “How does Celsius compare to other energy products for you? For example, how does Celsius compare to Alani Nu or Red Bull for you?”

LEAH: “I personally like Alani Nu and Red Bull better. They just have better flavors, personally, and I learned about the lawsuit and tried not to drink it as much.”

ABBY: “How did this lawsuit affect your likeliness to purchase a Celsius product?”

LEAH: “It didn’t change much but it is still not my favorite.”

Interview Key Findings/Suggestions

- Our main findings from Leah were that the lawsuit does not change much about her opinion of the brand since it is not her first choice of energy drinks. She did not know many details about the lawsuit but knew the basics of it by learning about it on TikTok.
- Our suggestions to Celsius are to better work on branding opportunities to gain more awareness from past and potential customers
- Be more truthful to their customers about the lawsuit to gain trust from their customer base

Survey Overview

Research Question: What is college students' perception of Celsius, specifically in light of the recent lawsuit?

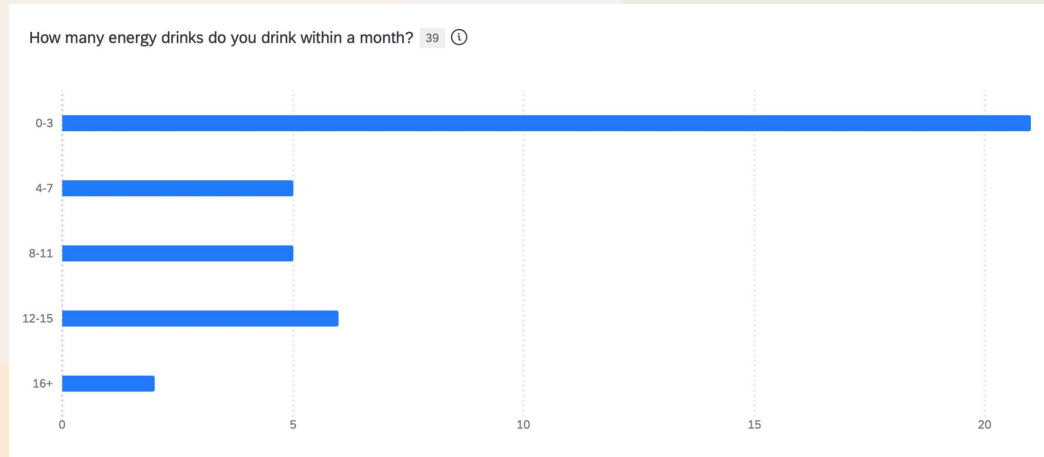
Target audience was Ball State students

The survey used a convenience sampling model to gather data.

42 people were surveyed with 3 filtered out from not being a Ball State Student.

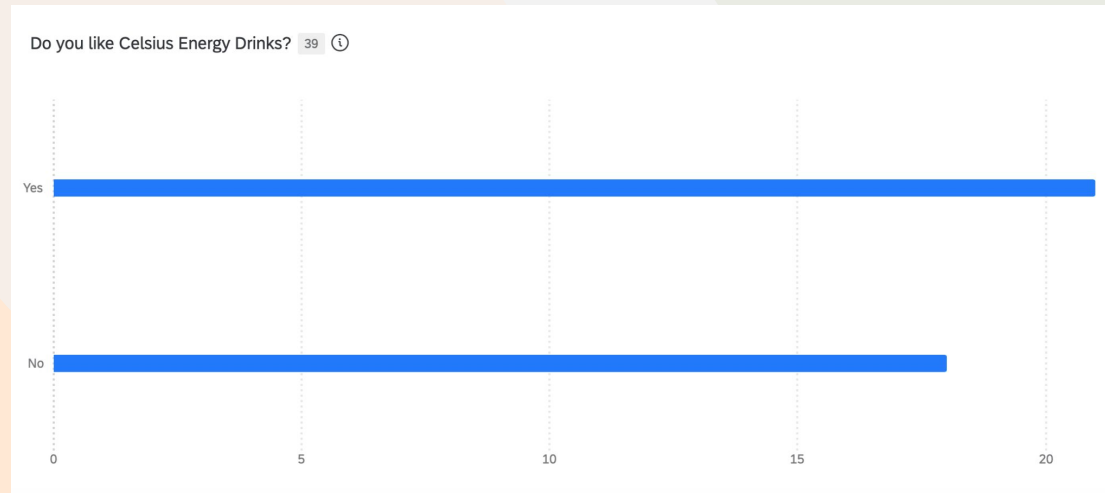
Survey Results

For baseline data, the survey started with questions on how participants felt about energy drinks overall. 67% of participants said they have interest in consuming these products. The graph attached below helps show how many they on average consume within a month. Other questions included how they felt when consuming energy drinks with responses predominantly neutral, followed by positive, then negative feelings.



Survey Results

Once the baseline of opinions surrounding energy drinks were received, we refocused on their thoughts regarding Celsius before the lawsuit was brought up. The chart below shows how for the baseline it stands at 53.85% liking the product and 46.15% disliking the product. The following question was to determine if they had consumed a Celsius product before, to which 79.5% said yes and 20.5%

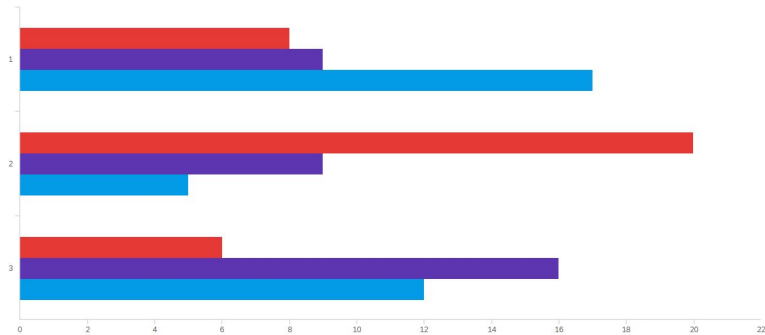


Survey Results

We also made sure to compare how Celsius was viewed against two major competitors as seen below, with 8 people out of 39 putting Celsius as their top choice. This was further seen when asked how likely they are to pick Celsius as their top choice. When asked about what was considered most important in energy drinks to them taste, caffeine levels, and how healthy it was were the top choices.

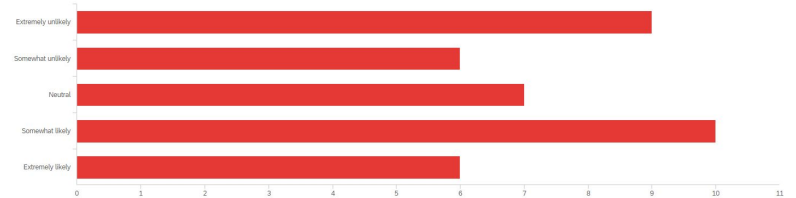
Q12 - Based on your preference, rank order for the following energy drinks. 1 most liked/3 least liked

Page Options ▾



Q13 - How likely are you to choose Celsius as your energy drink of choice?

Page Options ▾



Q14 - Think about the reasons you purchase a particular energy drink. Some reasons are listed below in the following list. We ar...

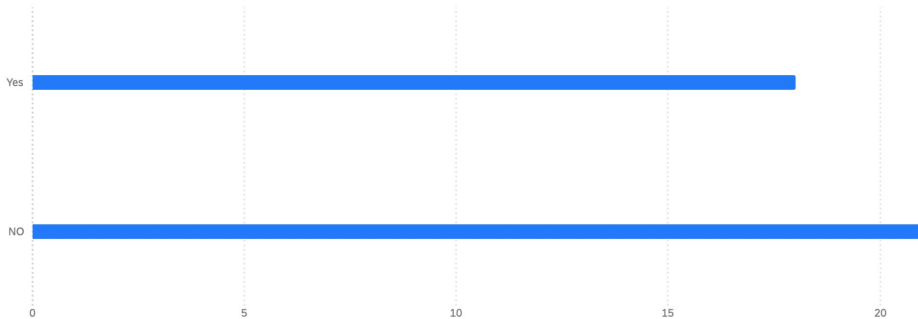
Page Options ▾

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	A specific amount of energy/caffeine in a product	0.00	70.00	13.00	15.38	236.51	39
2	Taste	0.00	90.00	43.44	26.13	682.71	39
3	Brand Values	0.00	30.00	6.31	8.86	78.52	39
4	Easily Accessible	0.00	40.00	12.36	9.99	99.82	39
5	How healthy it is	0.00	65.00	14.64	16.50	272.13	39

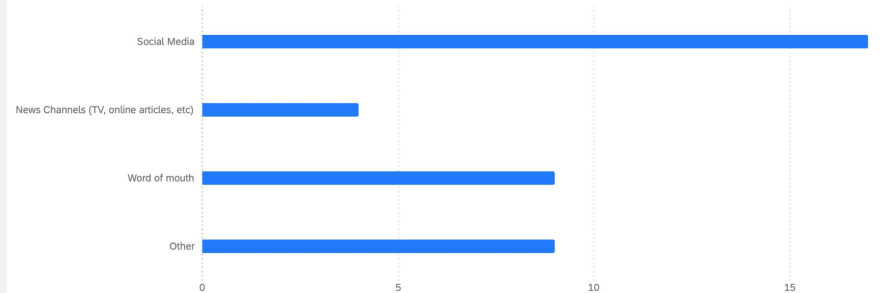
Survey Results

Once questions related to energy drink preferences and feelings towards Celsius had been established, we asked about the lawsuit. 18 participants said they were aware of it, while the other 21 said they were not. We also looked into how they had heard of the lawsuit from Celsius.

Have you heard of the lawsuit against Celsius? 39 ⓘ

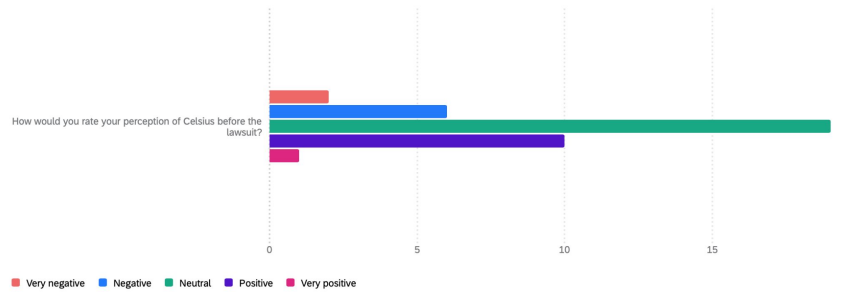


From which of these sources have you heard about the Celsius lawsuit? Choose all that apply. 28 ⓘ



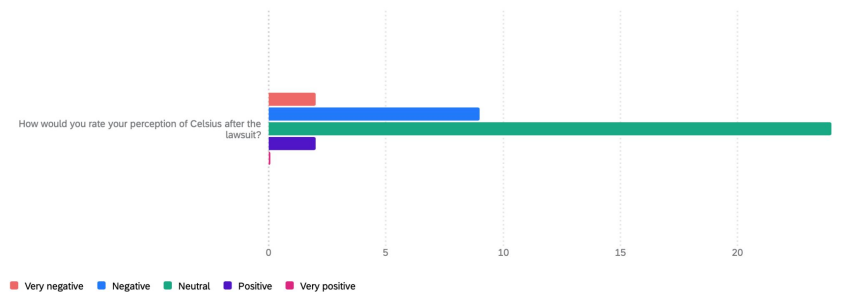
Survey Results

Q12 38

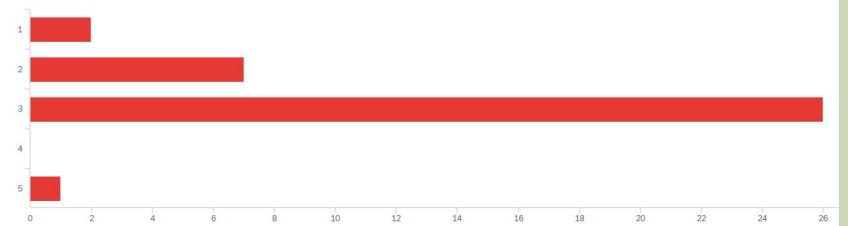


These graphs help show how the people surveyed felt and how likely they were to purchase a Celsius product now knowing about a lawsuit.

Q13 37



Q14 - On a scale from "Much Less Likely" to "Much More Likely," how has the lawsuit against Celsius affected your likelihood to ...



Survey Takeaways

- Before the lawsuit was mentioned people tended to lean a bit more positive or neutral than after. After, there was a shift more towards either a negative or neutral perception of the brand.
- Even at the beginning Celsius was only slightly over the 50% point on if people enjoyed Celsius products. It seemed most people had a different energy drink they preferred.
- People tend to prioritize taste, caffeine available and how healthy it is in comparison to how accessible it is or brand values. This can help show areas that need focused on for future developments to the products and brand.

Recommendations

- Social media was the number one way that respondents had heard of the lawsuit. Based on this finding, we recommend that Celsius work on SEO for their brand and better market towards the college demographic.
 - When you look up Celsius on Google, several negative articles come up. Celsius seems to be drowned out by third parties writing about their brand.
 - Their social media gets good interaction, but their content isn't very attention-grabbing. In contrast, brands like Alani use tactics such as collaborating with celebrities, such as releasing a drink with Kim Kardashian. Focusing more on reaching this key demographic will grow their overall consumer base.
 - To help mitigate the lasting effects of the lawsuit and other controversies and to better engage with their target audience, Celsius should work to increase good press on the Celsius brand for search engine optimization and revamp their profiles to create more engaging content.

Recommendations (Continued)

- Transparency is key in the Gen Z market. As a brand, Celsius should take the concerns that their consumers have about the ingredients and healthiness of their product and address these concerns.
 - This might even entail tweaking the ingredients to be more appealing to their audience, since a lot of the controversy surrounds their ingredients being unhealthy (citric acid), getting banned from sports, or being accused of having too much caffeine. Looking into consumers' concerns and taking steps to address them or fix them would help strengthen their consumers' trust in the brand.

Conclusion

From our research we found that Celsius hasn't been very upfront with the lawsuit or their other controversies. However, since the college student demographic isn't as engaged with Celsius as they are other energy drink products, these controversies haven't had a massive effect on their reputation. Celsius should take advantage of this opportunity to better market towards this key demographic and restore trust with their existing consumer base.

We suggested that they focus on two major things: **Being more transparent with their consumers** and **marketing towards college students better.**