

A PILOT STUDY OF THE MARKET FOR ENERGY DRINKS

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ABSTRACT

The energy drink market is one of the fastest growing markets in the non-alcoholic beverage industry. Yet, relatively little is known about this set of “new age” beverages. To fill this research void, we provide a historical perspective on this market and gather information from a local retailer located close to the campus of Texas A&M University to estimate the demand interrelationships for major energy drink brands (Full Throttle, Monster, Red Bull, and Rockstar). We employ the Barten synthetic demand system in this regard and obtain estimates of own-price, cross-price, and expenditure elasticities for the respective brands.

Key Words: energy drinks, Barten synthetic demand system, pilot study