Dylan Macy | Spring 2025
USC MA in Public Relations and Advertising: Comp Exam
Celsius Holdings Inc. SWOT Analysis

Strengths

- **Distinct Market Position: A Wellness-Oriented Brand** – Celsius has carved out a distinct place in the energy drink sector by building a brand centered on wellness and creating products with better-for-you ingredients such as green tea extract and no sugar. This positioning aligns with increasing consumer preferences for beverages with functional benefits and natural ingredients in an industry once dominated by brands like Red Bull and Monster. (Liu, 2025; Alverson, 2024; Riebe, 2024).

- **Brand Equity: Strong Perception and Loyalty Among Young Audiences** – Brand loyalty and perception have remained strong and are increasing among younger audiences. According to the Harris Poll, Celsius's "brand equity" has surged among Gen-Z by 110% over the last two years (2023-2025). Younger audiences have been key to Celsius' recent growth and a very intentional target in the company's rebrand. Celsius has formed a distinct place in the RTD energy sector through its better-for-you ingredients and functional benefits. The brand has also learned from past mistakes to focus on bold, enjoyable flavors and a "Live Fit" lifestyle to appeal more fully to young audiences. (Roberts, 2024; Pincus, 2025; Adams, 2023).

- **Driving Growth: Sales and Market Share** – Driven by its young, fitness-oriented consumer base and an expansion in retail presence, Celsius has seen significant financial growth in recent years and is helping to drive broader growth for the entire RTD energy sector. Celsius grew its U.S. market share to approximately 11% in 2024 to attain the #3 spot in the RTD energy category behind Red Bull (37%) and Monster (28%) in the United States. Despite still relatively smaller market share, Celsius contributed 30% to overall growth in the U.S. energy drink market in 2024, highlighting the company's outsized impact across the sector and the potential for continued growth. Celsius's U.S. retail sales have increased by 1,828% since 2020 ($2.7 billion in 2024), highlighting the scale of the company's meteoric rise. (Celsius, 2025; Riebe, 2024; Sun, 2025; Doering, 2024).

- **Driving Growth: Acquisitions and Partnerships** – Celsius has been able to expand its domestic distribution capabilities through a partnership with PepsiCo, which has held an 8.5% stake in Celsius since 2022, while a new partnership with Suntory will help to expand penetration in international markets. Since becoming a billion-dollar company, Celsius has also made strategic acquisitions, including of competitor Alani Nu to increase market share with female consumers and Big Beverages to improve production capabilities. (Celsius, 2022; Ellwanger, 2023; Miller, 2025; Riebe, 2024; Sun, 2025).

- **Strong Marketing: Social Media, Partnerships, and Creators** – A key driver in Celsius' recent success and growth has been the successful use of various marketing channels, namely sports marketing, influencer partnerships, and social media. Celsius has launched ambassador programs for students and fitness influencers, and partnered with high-profile social media creators such as Jake Paul and David Dobrik, helping to position the company as a lifestyle brand while massively expanding exposure with key Gen-Z audiences. New partnerships with MLS and F1 Racing are strategic moves to continue reaching Gen Z while also expanding brand awareness in the domestic and international markets. (Adams, 2023; Stone, 2024; Yakob, 20224).

Weaknesses

- **Competitive Landscape: Well-Established Competitors** – Despite a distinct brand and recent growth, Celsius still trails Red Bull and Monster significantly in domestic and international market share. Without highly intentional efforts to innovate and diversify product offerings while reaching new audience segments, Celsius risks stagnating and possibly losing market share. (Celsius, 2025).

- **Reach: Lack of International Presence** – The vast majority of Celsius' sales revenue still comes from the U.S. and North American markets as it competes for market share with well-known competitors like Red Bull, which operates in 170 countries. Celsius is clearly working to expand its international footprint. However, until the company does so in a significant manner, Celsius will face limited market share and will need to continue to cater to the needs of the U.S. market which is highly susceptible to changing consumer preferences. (Coggins, 2025; Sinuate Media, 2023; Curion Insights, 2024; Red Bull, 2025).

- **Financial: Cooling Revenue and Reduced Investor Confidence** – Following an explosion of growth in sales and revenue since 2020, Celsius' financial growth has slowed in recent quarters, negatively impacting market share and investor confidence. Despite international revenue growing, revenue from Celsius' core North American market declined towards the end of 2024, primarily due to changing consumer spending on energy drinks and supply chain disruptions with distributor PepsiCo. While revenue bounced back slightly at the end of the year, the stock dropped 51% in 2024. In the coming quarters, it will be crucial for Celsius to restore investor confidence by showing how it is adjusting to supply chain growing pains and working to cater products to evolving consumer preferences. (Celsius, 2025; Schafer, 2025; Quast, 2025; Trefis Team, 2025).

Opportunities

- **Positioning: Emphasize and Diversify Functional Benefits** – Energy drinks with healthier ingredients and functional benefits have been driving recent growth in the RTD energy market. More consumers are seeking alternatives to traditional caffeinated drinks like coffee for cognitive support, are paying increasing attention to the ingredients in the products they consume, and desire RTD beverages with holistic, functional benefits that can improve performance, recovery, and overall wellness. Celsius has been positioned well to meet these shifting consumer preferences in the RTD energy market, and will benefit from further product diversification to provide products that can provide energy and holistic health benefits. (NIQ, 2024; Alverson, 2024; Riebe, 2024; Mintel, 2024).

- **Audience Growth: Target Gen-Zers Across a Variety of Functions** – Younger consumers present key audiences to engage in current and future marketing efforts. Almost half of consumers between the ages of 18 and 34 making $75k+ increased energy drink consumption in 2024 to enhance a variety of aspects of daily life including fitness, focus at work and school, and as an alternative to alcohol at social functions. Marketing Celsius to young people as a product that can meet various needs throughout their daily lives will be crucial for continued growth. (Adams, 2023; Riebe, 2024).

- **Audience Growth: Women and Hispanic Consumers** – Women and Hispanic consumers represent two broad demographics that are driving recent growth in RTD energy consumption, but that have not been centered in traditional marketing efforts in the sector. Engaging a variety of segments within these two audiences across more consumption occasions – fitness, productivity, social functions – would be influential in inducing future growth for Celsius. The acquisition of Alani and the MLS partnership are two recent targeted efforts in this regard. (Riebe, 2024; Doering, 2024).

- **Market Penetration: Diversify Distribution and Partnerships** – Within a highly competitive market set to see significant growth over the next few years – 7.9% CAGR globally between 2025-2030 by one estimate – the embrace of a diversified distribution strategy by brands like Celsius presents a key opportunity to reach different audience segments. A continued focus on e-commerce and digital marketing can work to improve B2B distribution, while an expansion in partnerships with retailers with international, domestic, and hyper-regional reaches can both increase brand awareness and penetration with broader audiences. (Kunisawa, 2025; Yakob, 2024; Grand View Research, 2024).

Threats

- **Financial: RTD Energy Category Slowdown** – The overall RTD energy market has faced challenges in 2024 as more American consumers reduced spending on non-essential items amid rising prices. The market leaders saw reduced growth and revenue in 2024, especially across convenience stores. These trends, combined with overall inflation-induced spending reductions, are creating more uncertainty for investors in the short term. (Liu, 2025; Mathieu, 2024; Reuters, 2024).

- **Legal: Uncertain Legal and Regulatory Future** – Energy beverages, especially those high in caffeine and claiming functional benefits, have proven to be susceptible to lawsuits and a tightening of regulations. A slew of recent lawsuits against companies like Monster and Panera for their caffeinated products have led to calls for tighter federal regulation of such beverages and for companies to increase transparency around the ingredients and amounts used in their products. Such changes in regulation regarding caffeine content or ingredients used in energy drinks, would ultimately impact Celsius' marketing, positioning, and supply chains. (Blum & Callahan, 2023; Aubrey, 2023; Morgan & Morgan, 2025).

- **Supply Chain: Bottlenecks** – Pre-existing supply chain bottlenecks for the RTD sector could be exacerbated by inflationary pressures and a looming trade war provoked by the Trump administration. Specifically, aluminum – the raw material used in the vast majority of RTD packaging – could increase in price, as the vast majority used in the U.S. market is sourced from Canada, which is set to face a 25% tariff on U.S. aluminum imports. This is especially worrisome for an emerging player like Celsius that is trying to expand internationally and that has faced raw material shortages in the past. (Yahoo Finance, 2022; Reuters, 2025; Stroh, 2025).

- **Supply Chain: Climate Change** – Global climate change is set to put increasing price pressures on nearly all food items as it becomes more difficult to produce various crops in a changing climate. Green tea and guarana seed – two ingredients commonly used in energy drinks – are particularly vulnerable and are already declining because of climate change. In brief, climate change will make it more difficult and expensive for energy drink brands to include natural ingredients. (Hill, 2022; Dwyer, 2024; Reed et al., 2022).