

BRANDWEEK

November 19, 2007

With more than 2,000 energy drinks on the market, many consumers believe "if you've seen one, you've seen 'em all." But not this time. FRS, which stands for Free Radical Scavenger, offers healthy, antioxidant-based energy drinks and beverages (antioxidants neutralize free

radicals in the body before they can cause cellular damage). The product combines an antioxidant called quercetin with essential vitamins and metabolic enhancers to provide a natural and sustained energy boost, without the crash-and-burn syndrome associated with energy drinks.

"Of the energy drinks on the market, 90% of them are sugar-based," said Maigread Eichten, CEO and president of FRS. "The problem is that people feel great right after they drink them when they are 'going up,' but feel bad when they are on the way down."

The product, sweetened with either low-cal sucralose or cane sugar, has a legitimate medical history. FRS was developed by a group of scientists as a means to combat fatigue in patients going through the chemotherapy process. Soon, they realized that consumers at-large could use the product for sustained energy throughout the day.

Prior to making the move to the consumer market, FRS was put through clinical trials with cyclists at Pepperdine University, and those who drank it had performance improvements of 5%. This interested one Lance Armstrong. The seven-time-winning cyclist of the Tour de France had a case of wild berry shipped to him in New York City to drink while he ran the marathon. He also recently joined FRS as a board member and shareholder. The company also counts members of the NBA's L.A. Lakers and Cleveland Cavaliers among its biggest fans.

In 2004, New Sun Nutrition (the former name of the company) began selling FRS online in concentrate form. Ready-to-drink beverages came next (2006) in three low-calorie flavors: peach mango, wild berry and orange. There are also two non-low calorie options, lemon-lime and orange, which Eichten said are primarily consumed by athletes looking for energy and calories. The manufacturer's suggested retail price is \$2.29 per 11.5-oz. can.

The target consumers are health conscious, energy drink users; those who are already buying energy drinks, but don't want the sugar and caffeine. FRS has some caffeine to activate the other ingredients, Eichten said, but the amount is equivalent to a cup of, say, Folgers rather than Starbucks.

The brand is experiencing "explosive growth" at retail and continued success

online, Eichten said. The FRS name recognition prompted the corporate name change in July. The company also recently relocated its Santa Barbara, Calif., headquarters to Foster City, Calif., to take advantage of the Bay Area's bigger media market.

In January, FRS' RTD beverages became available in local grocery stores on the West Coast, and in May, the company inked a deal with GNC (2,500 stores) to carry its beverages and new chew products. Over the summer, FRS announced that 7-Eleven convenience stores would carry its drinks in West Coast locations. The company also recently signed a deal with Amazon.com.

The product line now includes regular and low-calorie beverages, chews, diet powder packs and concentrate. FRS plans to add new flavors in 2008 as well as a not-ready-to-be-disclosed new sports product.

After spending 2007 building a team, gathering financing and growing its Web and retail distribution, Eichten said 2008 is about spreading FRS' healthy energy message and getting the product into the hands of more people. To assist in this, FRS hired advertising agency Cutwater, San Francisco, to develop broadcast, print and online programs.

With new products, distribution and advertising to come, it isn't likely that FRS will "crash" anytime soon. The company has a strong Web business, a growing retail presence and lots of marketing vehicles in the works to promote the brand message. So far, growth has occurred through viral and word-of-mouth marketing.

Said Eichten: "Our consumers are evangelical users." —
vfacenda@brandweek.com

(For more food and beverage marketing news, go to
Brandweek.com/beverage.)