

**Decision Problem and Issues Statement:**

Liquid Death has seen immense success within the packaged water industry; however, the brand looks to develop more growth by expanding its reach and popularity amongst new audiences while still maintaining its edgy, “cool” brand image. In the hopes of accomplishing this, Liquid Death looks to make itself a prominent and lasting name in the packaged water industry, which is highly saturated and competitive.

**External Analysis:**

The \$20 billion packaged water industry is highly saturated and competitive with established brands dominating the market, making it difficult for new entrants. However, these brands miss the mark on emerging consumer trends, for younger generations, such as Millennials and Gen Z, are progressively more health-conscious and environmentally aware than previous generations. These consumers are increasingly seeking products that prioritize health and sustainability, favoring brands that align with these values and rejecting single-use, plastic bottles due to their negative environmental impact. While some brands are shifting to more eco-friendly packaging, plastic still dominates convenience store shelves. Many packaged waters on the market include carbonation and/or preservatives that can hinder health-holistic consumers from purchasing. The market itself is unexciting, with water often perceived as bland, and water commercials are forgettable or unheard of. Most brands lack unique messaging or expressive package design and rely heavily on parent companies’ partnership deals like Coke and Pepsi for distribution. This is why Liquid Death stands out and captures so much attention with its aggressive marketing approach.

**Internal Analysis:**

Considering the water industry’s typical dullness, Liquid Death has done a tremendous job captivating consumers and compelling them to purchase its product. The brand achieves this through aggressive, irreverent marketing tactics that make consumers stop and listen, laugh a bit, and then add the water to their carts. By creating marketing that evokes emotion for a usually bland product like water, Liquid Death sticks in consumers' minds, making it easier for them to recall the brand when shopping. When assessing consumer trends, Liquid Death is one of the few packaged water brands that appeals to what consumers are seeking by pushing health and environmental issues at the forefront of its mission. By working to eliminate plastic, Liquid Death has incorporated humor to help its mission be noticed as well as unique and interesting designed aluminum cans that are better for the environment and essentially make the water colder, further attracting eco-conscious buyers. Liquid Death has also built a cult following through its Liquid Death Country Club, allowing fans to buy branded merchandise, which creates more revenue for the brand. Promotional antics, like the celebrity contributions from Wiz Khalifa and Tony Hawk, a partnership with Postmates, and even albums made from Liquid Death hate, have driven success. However, challenges persist—competition in a saturated market from new brands with eco-friendly options is growing, the inability to reseal cans, and the brand's edgy, death-themed marketing may unnerve some consumers, especially parents. Still, for others, this rebellious appeal is specifically what draws them in, especially those who are attracted to things "Karens" typically hate.

**Decision Criteria:**

Liquid Death has four main goals:

- Develop a growth strategy that expands its reach and popularity amongst new customer bases while maintaining its brand image.
- Establish itself as a prominent and iconic brand in the packaged water industry.
- Successfully grow its market share by rising as an industry leader and maintaining this position.
- Continue to differentiate the brand through bold and unconventional marketing.

The essential outcome Liquid Death desires from these goals is that the brand will expand its market share by attracting new audiences while not sacrificing its current cool brand image. By growing its market share, brand awareness and loyalty will increase, and Liquid Death will lead the packaged water industry as well as sustainability and become the iconic water brand.

#### **Decision Alternatives:**

Liquid Death should consider the following alternatives:

- Expand the product line by featuring resealable cans with twist-off lids.
- Keep bold and humorous marketing but broaden positioning to include more health and wellness to target more than the rebellious, punk crowd.
- Expand internationally to countries that value sustainability. Many European countries prioritize eco-friendliness, and the brand's humor may appeal more to countries with dominant youth culture, such as Germany, Denmark, and Switzerland.
- Encourage recycling Liquid Death cans. Incentivizing consumers to recycle their cans by offering cash back for every can recycled creates an initiative that supports its mission.
- Leaning into corporate partnerships and entertainment events that align with its core values.

#### **Evaluation of Alternatives:**

Introducing resealable aluminum cans would make Liquid Death the perfect convenient option for consumers "on the go," enhancing portability for various outdoor activities. The added convenience may grow the brand's appeal for more activity-based consumers, resulting in boosting sales while still aligning with the brand's image and commitment to sustainability. However, changing manufacturing processes such as appropriate machinery and finding new packaging plants could be costly. Broadening Liquid Death's positioning to include more health messaging could attract wellness-focused consumers (who may have originally thought the brand was an energy drink company) by partnering with health influencers. However, this may not align with the brand's edgy image. In considering environmental issues, the U.S. tends to lack concern compared to European countries, which tend to have a larger percentage of young people who value sustainability. However, finding distribution channels in key target areas and acquiring adequate funding could be challenging. Incentivizing consumers to recycle by offering cash in exchange for cans expresses that Liquid Death takes its mission seriously, which will create more brand awareness and loyalty. The challenge lies in setting an exchange rate that incentivizes consumers without harming the company and finding recycling centers willing to participate. Finally, increasing corporate and event partnerships could boost exclusivity and awareness in these sectors, potentially building brand loyalty. However, Liquid Death would need to ensure these collaborations align with its core values.

#### **Recommendation:**

I recommend that Liquid Death expand internationally, first targeting European countries with the highest prioritization of sustainability, ensuring there is a willing market. The biggest risks include locating adequate distribution channels, ensuring Liquid Death has enough funding to expand internationally, and receiving the proper certifications allowing global distribution.