

Brand Strategy for Growth



DEVELOPING A CHALLENGER BRAND TO TAKE CATEGORY LEADERSHIP

THE CLIENT

The Coca-Cola Company (Coca-Cola) is the world's largest beverage company. Alongside Coca-Cola®, recognised as the world's most valuable brand, there are 12 other billion dollar brands in the company's portfolio including POWERADE® the number two sports drink across Europe.



THE SITUATION

In 2008, Coca-Cola EU Group recognised it had a challenge with growing the POWERADE® business in Europe. Slowing sports drink category growth, poor consumer understanding of sports drinks, pressure from cheaper supermarket brands and poor differentiation from the category leader, PepsiCo's Gatorade and other local brands, combined to form a problematic situation. Further complication came from the variation in the precise situation and the strategies employed by individual country teams.

Whilst POWERADE® had been enjoying reasonable volume growth in recent years, it remained an undifferentiated number two in key European markets and was growing off a relatively small base. Management's ambitious targets were unlikely to be met by continuing with a business as usual strategy. Coca Cola saw an opportunity to take the category leadership position and triple the size of the POWERADE® business. Developing a challenger brand strategy could allow it to differentiate POWERADE® and achieve this Marketing Manager's ambitious objective. The big question was, how best to do that?

THE SOLUTION

Working with Coca-Cola's EU Group, Edengene started with a comprehensive insight generation phase. This included an analysis of the pan-European market situation encompassing individual country business plans, all available brand and consumer research and financial data. From this analysis, we developed an understanding of how POWERADE® needed to compete, and what was and wasn't working in the individual country markets.

Edengene's strategy option framework was used to explore the strategic options that were open to the brand and then used to generate a number of hypotheses about where the brand could go in strategic terms. Exhaustive alternative positions in the market were explored, from 'niche' and 'mass market' to completely changing the rules of the game. Extensive modelling based on pan-European consumer research was undertaken to identify the commercial impact that the different strategic routes would have on the business.



Creating various positionings for POWERADE® that aligned to the different reasons why people participate in sport

Edengene's key insight was that the overwhelming majority of people engaging in sport do not use sports drinks at all, believing that sports drinks are just not for them.

Key insights



Most people doing sport don't use sports drinks



People's motivation for participating in sports are varied

The resulting brand strategy was a bold challenge to the category norm that people doing sport are all the same and all want the same sport performance benefits. Instead we looked to respond to people's different motivations for doing sport. Importantly, this allowed the strategy to be appropriately adapted to individual countries cultures and market situations, whilst maintaining cohesion to build pan-European brand equity and delivering economies of scale.

Edengene created various positionings for POWERADE® that aligned to the different reasons why people participate in sport, including 'Inner Gear' that became Coca-Cola GB's creative platform.

IMPACT AND BENEFITS

The outcome was pan-European alignment around a brand strategy that solved a tricky problem for the POWERADE® business, and provided a compelling and robust platform for growth.

This included a clear articulation of the ambitions for the brand, a focussed consumer targeting strategy, a clear and compelling brand positioning, and a product strategy that will deliver the brand promise and be a sustainable platform for the future.

In line with this strategy, 'Inner Gear' was executed as an advertising campaign in the UK in conjunction with Coca Cola's sponsorship of the 2008 Beijing Olympics and, most recently, the Rugby Football Union and the Welsh Rugby Union.

Coca-Cola EU Group have new communications and product launches in the pipeline to implement this bold long term strategy for growth, and triple the volume of sales of POWERADE® across Europe.



“Edengene provided us with a wide view of strategic opportunities that helped us align on a strategy that will work for us across Europe”

Manos Zakinthinakis, Marketing Manager, Sport Beverages, European Union Group, The Coca Cola Company

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