

Cassies 2006 Cases

Brand/Case: Gatorade

Winner: Packaged Goods Beverages—Gold

Client Credits: Pepsi-QTG Canada

Richard Burjaw
Jim Johnstone
Derek Estabrook
Andrew Schulman

Agency Credits: Downtown Partners

Dan Pawych
Ann Laudenbach
Linda Carte
Ian Kiar
Mark Fitzgerald
Cynthia Tycholis
Jenn Green
Sarah Moen

Crossover Notes: All winning cases contain lessons that cross over from one case to another. David Rutherford has been identifying these as Crossover Notes since Cassies 1997. The full set for Cassies 2006 can be downloaded from the Case Library section at www.cassies.ca

- Crossover Note 1. What a Brand Stands For.
- Crossover Note 2. Brand Truths.
- Crossover Note 9. Turnarounds.
- Crossover Note 16. When a campaign stumbles.
- Crossover Note 21. Likeability.
- Crossover Note 27. Share of Mind, Share of Voice, Spending.

To see creative, go to the Case Library Index and click on the additional links beside the case.

EXECUTIVE SUMMARY

Business Results Period (Consecutive Months): April 2005-June 2006
Start of Advertising/Communication Effort: April 2005
Base Period for Comparison: Historical data, specifically 2003/04

This is the story of how a global brand, with historically strong Canadian sales and share, was losing momentum—only to be revitalized by a fresh Canadian approach to its strategy and advertising. [Crossover Note 9](#).

SITUATION ANALYSIS

Gatorade was introduced to Canada 20 years ago. Following the U.S. lead, it created the Isotonic Beverage Category. Gatorade targets young males who are athletically involved and consider themselves to be, or aspire to be, “Competitors.”

Gatorade was developed for athletes of all levels who demonstrate a strong will and desire to play their absolute best, and look for products that help give them a competitive edge, regardless of the sport. It has become synonymous with elite athletics. It is scientifically proven to help optimize athletic performance through superior hydration and replenishment, as a specifically formulated electrolyte carbohydrate beverage. (Source: Gatorade Sport Science Institute)

Because of ASC regulations about what can be conveyed about human physiology (including hydration) in advertising, Gatorade can't communicate its product superiority and efficacy in broadcast - a big and ongoing challenge. No matter, with inspirational and motivating advertising, Gatorade had significant brand equity, with strong sales and share growth. This was until momentum began to plateau in 2003/2004. The Isotonic category was stagnating, and Gatorade also had to face frequent launches from brands offering a seemingly parity product (energy drinks, enhanced water, flavoured & bottled water and other non-carbonated beverages). Gatorade stalled and sputtered.

2004 continued to be depressing for other reasons too. Todd Bertuzzi, the Vancouver Canucks power forward, had his negative encounter with Steve Moore, effectively abolishing Gatorade's plans for the spring/early summer season. This forced us to re-air Gatorade Ice creative from 2002. (This featured goalie Jose Theodore who had his own negative press to deal with. We also used available, though less effective, U.S. creative.) Additionally, the Blue Jays and Raptors were not going to make the playoffs. And while the World Cup of Hockey was successful, a black cloud hung over the tournament, with the impending NHL Lockout eliminating professional hockey for 2004/05.

Gatorade's sales grew only 4% for 2004, and missed plan. Share also fell for the first time, down 4.6 points to 68.3%. Meanwhile, Powerade, our key competitor, picked up a few share points for the first time in years. This left the Gatorade team wondering just how much upside the brand and category had left.

STRATEGY & INSIGHT

We needed to get back to basics, and amend how we approached Canadian advertising. Historically, Gatorade had depended on the American and International advertising pool, with little to no opportunity to use local insights, or the budget to develop original work. [Crossover Note 16.](#)

After a Sports Attitude Study (Charlton Strategic Research), we realized that there are fundamental differences between Canadian and American male athletes—and the "Competitor" mindset. We needed a Canadian-specific strategy and creative approach. First off, we are hockey obsessed. It permeates our being and helps define us. For guys in particular, it's in our blood; and it's something we never grow out of. However, hockey is not the only sport we are passionate about. Compared to other countries, we are far more diverse in our athletic interests—playing (and watching) a wide range of sports. We needed to demonstrate to our competitive male consumers that Gatorade understood this. [Crossover Notes 1 and 2.](#)

Lastly, we needed to create advertising that could hold its own in the pool of International and U.S. Gatorade creative. [Note: This case is about *Canadian-developed* work. It was the exclusive advertising support during the main consumption periods. US/International creative ran briefly, but only in shoulder periods. Canadian work accounted for over 80% of Gatorade's media weight.]

EXECUTION

New TV/Cinema creative ran in May-July 2005, supporting a new flavour called X-Factor. The letters A - X celebrate Canadian sports—with attention to hockey, but also athletic diversity and regional nuances. Scenes capitalize on Gatorade sports properties like Hockey Canada, OHL, CFL, Jays Baseball. These combine with less recognized sports and uniquely Canadian images. For example "B" is a bird's eye view of a hockey net. "C" is a curving scar on a hockey player's cheek. "S" comes from a Vancouver skateboard park. And so on. (See "Alphabet Print" later for other images.)

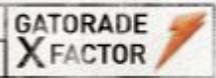
For 2006, TV (April-June) and cinema (April) ran with a new Gatorade sports property: Sidney Crosby—the inspirational small town hockey player from Cole Harbour. Here, hockey is the focus, and the advertising is loaded with clever bits of Canadian sports imagery. Crosby walks down a neighbourhood street, past the "stick-piling" start of a road hockey game. Crosby tosses his stick onto the pile. Now everyone now wants to play! Stick after stick goes onto the pile. All sorts of characters join the action, like the Rimouski Oceanic QHL team, the infamous Hanson brothers from Slap Shot (dressed in their iconic Chiefs jerseys), and an unknown Russian player. Finally, a grinning Crosby breaks away, stick-handling the ball down the street to an unknown net. (See later.)

For media, the strategy evolved over 2005 and 2006. Coming off a soft 2004, the budget had been drastically reduced. So we chose specialty TV with a dominant focus on sports programming. Cinema effort ran during the blockbuster releases of May 05 and April 06. "Alphabet" print supplemented this in 2005. [Crossover Note 27.](#)

“ALPHABET” PRINT



NO OTHER LETTER IS A FACTOR
WHEN TWO GREAT FLAVOURS CROSS



“STICKS” TELEVISION



BUSINESS RESULTS

In national grocery banners, sales increased 33% over the 13 week flight of “Alphabet” even though X-Factor was not available in this channel. Clearly the X-Factor advertising was having a strong halo effect on the base Gatorade business. (A.C. Nielsen)

Importantly, the momentum continued after the campaign ended. Total Gatorade sales grew 17% in 2005, exceeding plan by \$6 million. Gatorade dollar share for 2005 was up 2.9 share points versus the same period in 2004. (A.C. Nielsen)

Gatorade Past 4 Week consumption increased 33% from Q1 04 to Q3 05—driven by increased usage. Meanwhile, Powerade saw a 6% drop in consumption over the same period. Consumption Occasions for Isotonics are also up 23% (Research International.)

For “Sticks”, though it's early, results are very positive again, with Gatorade shipments through June 06 up 21% versus year ago. [Note: the case provided other detail here.]

Excitement from the media has been extremely positive, with coverage generating over 4.5 million media impressions in television, print, radio and online. (Fleishman Hillard)

Consumer “buzz” for the campaign was also intense during the initial on air support, with a plethora of sports-related blogs, consumer commentary and chat rooms popping up in Canada and the U.S. — and this has continued throughout the campaign.

CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

The advertising launched in May 2005 and concentrated on one 13-week flight. Gatorade sales responded almost immediately, and this momentum has continued.

Media spending was not a variable. The 05 and 06 budgets were, in fact, below historical levels. The launch of X factor will, of course, have contributed to incremental sales though, as noted, X Factor was not distributed in all outlets, and Gatorade grew even where X factor was not available.

As for advertising effectiveness, “Alphabet” had extremely strong results in research:

- Level of Enjoyment 50% above average **Crossover Note 21.**
- Very Relevant 188 index versus norm
- Motivated to Try the Brand 250 index versus norm

[These are key effectiveness and equity measures for Gatorade. The research was by Research International and Millward Brown.]

Overall, the only variable to explain the major upturn in the new strategy and creative.