

CASE #25

DESIGN AN EVENT TO MEET THEIR NEEDS.....

Gatorade has become commonplace in North American life in the active thirst market category. Aggressive marketing by competitors has recently left Gatorade exposed. Strategies are necessary to ensure that Gatorade's position on top of the active thirst market remains secure. The marketing focus is threefold: (a) establishing closer ties with the trade, (b) finding new channels of distribution to deliver the product through and (c) servicing existing relationships to the maximum.

Gatorade Sports would like to create and execute an event that will help the Gatorade retailer create "added value" for its customers. Your job is to create this event.

Where are they now?

You have managed to obtain the following information about Gatorade.

1. Gatorade's Business: Quenching thirst and enhancing athletic performance

2. Planning and research activities completed

- ✓ Focus groups (conducted by independent market research group)
 - measures perceptions of brand, reactions to new creatives and opinions on new flavors/products
- ✓ Surveys (at events)
 - for example, at pee-wee hockey tournament — separate survey for players, coaches and parents
- ✓ Integrated planning sessions (including; public relations, media buying, advertising and sports marketing)
 - discuss PR strategies, sales reports, new creative, promotions, company direction
- ✓ Bi-weekly status meeting
 - each division shares the detail of their written status report

3. New/more research needed with regards to:

- ✓ Activities of the competition
 - Ask: Who are they? How big are they? What are they doing?
- ✓ New/ innovative distribution channels
 - Ask: How can we get Gatorade to more people?
Where has the competition not penetrated?

4. Stakeholders: GATORADE SPORTS

- Quaker oats
- Gatorade Ad. Agency
- Gatorade PR Agency
- Partners — CFL, MLB, NHL
- Consumers
- Competition
- Media
- Retailers

5. Internal strengths and weaknesses

- Strengths :** affiliation with Pro Sports Leagues
brand loyalty
significant R & D expenditures
- Weaknesses:** lack of international access
relationships with the trade
product shelf placement

6. External opportunities and threats

- Opportunities:** joint ventures
vending machines
trade advertising
- Threats:** impending competition from Coke & Pepsi
power of brand names is declining

Where are they going?

1 Mission Statement: To quench thirst and nutritionally replace fluids lost through exercise, by supplying, sampling and selling Gatorade to athletes of all ages and skill levels

2 Vision Statement: To lead development — flavors, formulations, distribution channels, innovative marketing techniques — of the active thirst market in Canada into the next century

3 Decision Framework

1. Does this event represent a good opportunity to bring trade relationship closer?
2. Does this event effectively reach our target market?
3. Does this event have exposure from a variety of media sources/ Or can media opportunities be created?

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4. Can Gatorade secure exclusivity in the beverage category? Or at least the sport drink category?
5. Is the event run by a reputable organization?
 - Has Gatorade's past relationship with this event been positive?
 - Is there a healthy lifestyle message associated with this event?
6. Is there a large live audience? Is there an opportunity for sampling?

4 TARGET MARKETS AND CONSUMPTION PATTERNS

TARGET MARKETS	CONSUMPTION PATTERNS
Professional teams/ leagues — i.e. NHL, CFL, Blue Jays Elite sports — i.e. Canadian Olympic & National Teams, Marathons /Triathlons	<ul style="list-style-type: none"> ✓ Reached through credible sources — i.e. Pro Hockey Athletic Trainers Society ✓ Knowledgeable about relationship between nutrition, hydration and performance ✓ Athletes trust their judgment with respect to beverage consumption
Weekend Warrior — i.e. elite runners & cyclists who have <i>real</i> jobs	<ul style="list-style-type: none"> ✓ Taste — light ✓ Scientific benefits — quick fluid replacement, ✓ carbohydrates, added “boost”, not filling.
University/ High School Teams i.e. Coaches and athletes at these levels	<ul style="list-style-type: none"> ✓ Cost to schools (contracts) ✓ Taste ✓ Nutritional benefits ✓ Availability
Adult Recreational Athletes i.e. health club member, recreational softball players, grassroots events	<ul style="list-style-type: none"> ✓ Taste ✓ Image (pro athletes) ✓ Social (let's have a Gatorade) ✓ Hydration
Teens/Young Adult Athletes — i.e. coaches and kids who play minor league sports, grassroots	<ul style="list-style-type: none"> ✓ Price ✓ Image (price, “coolness” factor) ✓ Availability ✓ Social
FUTURE Seniors — i.e. active adults. ages 55+ retired	<ul style="list-style-type: none"> ✓ Price sensitive ✓ Nutritional value ✓ Availability

Goals, Objectives and Success Factors

GOAL ONE: To create closer ties with the trade

OBJECTIVES: To provide retailers with a high level of customer service
To create a joint promotion for each major retailer

SUCCESS FACTORS: An overall increase in sales to major retailers

GOAL TWO: To increase present channels of distribution and discover new ones

OBJECTIVES: To create programs involving the “hot sports” (i.e. golf, aerobics).
To penetrate areas where only soft drinks are present

SUCCESS FACTORS: Penetration of 40% in golf clubs and fitness clubs by 1995.
Have Gatorade available in vending machines.

GOAL THREE: To increase communication with existing partners

OBJECTIVES: To ensure Gatorade is the beverage on the sidelines
To educate schools on the benefits & packages Gatorade offers

SUCCESS FACTORS: 80% of professional teams drink Gatorade on the sidelines/benches

Your Task

You see this as an opportunity to create a workable sponsorship marketing plan for Gatorade (*In fact, you may do this as a project for this course. The project should, of course, be different from what was actually developed for Gatorade by the sports marketing company*). As you think about what you might put together you should consider the following:

1. Make sure that the event you design meets the objectives established by Gatorade. Outline your event as briefly as possible. However, your outline must make sense to an individual who is not familiar with your idea
2. What is your target market for the event and why?
3. List all the ways your event will allow the Gatorade retailer can associate themselves with a fun, healthy sport for the whole family and become the “Thirst

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Quenching” headquarters for the neighborhood. That is, detail the modules you will design and what each is intended to achieve.

4. Where will your event take place? What is the rationale behind this location and how will it get more customers inside the store to purchase Gatorade?
5. How will you solicit volunteers? What will you give them for their time? Where will your volunteers come from? How can you create a partnership with the retailers so that they may be inclined to allow their employees to become involved?
6. What types of retail stores will you try to partner with? That is, what type of stores will likely be a good distribution outlet for Gatorade?
7. What type of cross-promotion ideas do you think would make sense?
8. What is the budget for the event? (Show a breakdown of costs). Keep in mind, that this event should be reasonable.
9. What type of pre-event media promotions will you organized?
10. What type of instore promotions will you organize?
11. What type of on-site promotions will you organize?
12. How will you “package” this event so that it wets the appetite of Gatorade? That is, list some “hot buttons” that will trigger interest.

The answers to these questions are provided for you next. Please make sure you know what Gatorade did because you may be asked questions specific to their activities.

Gatorade: Marketing Plan — what they did

Create and execute unique promotions for major trade partners

Program

Through offering prizes and providing participatory games, the retailer is creating “added value” for its customer. The theme of this particular program is basketball, one of the fastest growing sports in North America. Basketball and Gatorade go hand in hand during the hot days of the summer. By featuring this program at their store, a retailer will be associating themselves with a fun, healthy sport for the whole family. And, in later months, their retail location will be looked at as the “Thirst Quenching” headquarters for the neighborhood.

“IN-STORE BALLOTING”

- Point of Purchase display in each store
- Invite customer to “fill in the ballot” for a chance to win
- Grand prize: one years supply of Gatorade & cooler to drink it out of

- Introduce customer to the concept of Basketball Day at local retail store
- Encourage them to come out and bring their whole family

- Ballots can be added to existing customer database

“BASKETBALL DAY”

- Contests for “distance shooting” and “timed free throws”
 - Compete within age categories
 - Four nets set up

 - Family atmosphere
 - Emphasis on participation, not competition
 - Music playing
 - MC making announcement — prize giveaways
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Place

*The primary objective of the retailer is to get more customers **inside** the store.*

The following activities will take place inside the retail store:

- Sweepstakes draw
- POP displays (Cutout of Michael Jordan)
- Sampling of Gatorade

*The day of the event there will be tons of activity surrounding the store. This activity will bring curious customers and passersby **closer to the store**.*

These events will be occurring in the parking lot, mall or vacant space adjacent to the store:

- Celebrity appearances
- Sampling of Gatorade
- “Free-throw” and “distance shooting” competitions
- Spectators watching friends and family who are participating

People

It is important for the retail partner and all the other partners to be involved in both the planning and executional stages of the event. This will increase their commitment to the success of the joint venture.

The event will be staffed with tons of energetic and enthusiastic volunteers who receive a free T-shirt for their time. These volunteers can come from the part-time staff of the retailer who is hosting the promotion. Store management can increase pre-event talk by offering a “dream shift” for employees who perform to a high standard. Instead of working the sales floor or cashing out customers on a Saturday, employees can work at the Basketball Day promotion. This incentive program will also share the large cost of staffing the promotion.

Partners

- Major grocery retailers and convenience stores would get involved to increase traffic into their store, create “added value” for their customer and to increase sales. When a customer comes in for a specific product (i.e. Gatorade) he/she will likely leave with other items.

Examples of grocery retailers and convenience store partners

- Loblaws
- A&P/Dominion
- Price Club
- Hasty Market
- Seven Eleven

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❑ Sporting goods stores would get involved to increase the traffic of families and athletic people into their parking lot/store. Gatorade is a frequently bought item which increase the times that one customer has to go into the sporting goods store.

Example of sporting good retail partners

- Foot Locker; Athlete's World; National Gym; Sporting Life

❑ There are obvious cross promotions that can be created through this program. A manufacturer would love to have their sales representatives on hand where participants are using their product or can try their product.

Examples of hard goods manufacturing partners

- Spaulding basketballs; Nike shoes/apparel; Huffly basketball nets; Starter licensed products

❑ Quaker Oats Canada manufacturers a wide variety of products. There is opportunity to cross promote a new or flagging product to the participants and spectators involved with the basketball program.

Examples of Quaker brands for cross promotions:

- Chewy Granola Bars; Hot Cereal; Harvest Crunch

Price

This is a projected budget which shows the costs that are involved with this type of promotion. This budget is based on the Basketball Day promotion traveling to 8 different retail locations in the Golden Horseshoe area. The costs that have asterisks (*) beside them can potentially be shared by other sponsors/partners

Staff : Part time	\$6,000
Transportation : Truck (for nets & balls) — 8 day rental*	\$1,200
T-shirts: Staff	\$400
Prizes: Premiums — prizes and giveaways	\$1,600
• Sweepstakes— Gatorade for 1 year	
Equipment	\$2,500
• PA system	
• Basketball nets*	
• Results board	
• Coolers, cups, product	
• Time clocks, stop watches	
• Banners	
• Misc. supplies	
Advertising	\$1,000
• Posters (including set-up)	

TOTAL COSTS	\$12,700
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Pre-Event Promotions

MEDIA

Radio:

Gatorade Thirst Patrol will

- ✓ announce locations
- ✓ create excitement surrounding the event
- ✓ encourage kids to tell their parents that they want to participate
- ✓ tag line added to existing ads

Newspapers

- ✓ Space in store ads promoting the detail of the event

Weekly flyers

- ✓ Coupon for Gatorade
- ✓ Schedule of Basketball Day locations

Direct Mail

- ✓ To preferred customers
- ✓ Store charge card owners

In-Store Promotions

Posters

- ✓ on windows of store
- ✓ “Coming on special date, retail store/Gatorade Basketball Day”
- ✓ encouraging customers to bring their whole family

POP Display:

- ✓ ballot box
- ✓ cutout — Demoman or Michael Jordan

Shelf Talkers

- ✓ special price on Gatorade product

On-Site Promotions

Sampling

- ✓ of Gatorade

Signage:

- ✓ banners
- ✓ staff T-shirts

MC announcements

- ✓ premiums
- ✓ retail store gift certificate

Packaging

1. This event will establish direct trade relationships for Gatorade Sports through the Quaker Oats sales team.
2. Basketball is the hottest sport with out target market. Twelve to eighteen year olds represent the influencers when it comes to their parents beverage choices. Grocery and convenience stores are where the decision makers (parents) purchase Gatorade.
3. Announcements by the Gatorade Thirst Patrol on the radio will create media exposure for all the partners involved
4. Gatorade has exclusivity in the beverage category for this promotion, all other sponsors will be non-competitive.
5. Quaker Oats of Canada has established relationships with all the major retailers that Gatorade would partner with for this promotion. all other sponsors will be non-competitive.
6. Quaker Oats of Canada has established relationships will all the major retailers that Gatorade would partner with for this promotion. With emphasis on fun and fitness this event presents a very positive message.
7. Due to the nature of the Basketball Day concept, a large live audience will congregate in front of the retail store. Gatorade will be sampling on-site and in-store.

How well are we doing?

It is essential that all areas of the Gatorade team work together with the same vision for the future of Gatorade in Canada. It would not be an efficient management or resources if the Gatorade Sports Division worked independently, with a separate agenda from all the other divisions.

From the beginning in 1987, Gatorade Sports has been an integral part of the brand's success in Canada. Due to this fact, Gatorade Sports must take the leadership role during the battle the company faces against new and powerful competition. Their presence at the "grassroots" has allowed the Gatorade Sports to know what the consumers needs re, better than anyone.

How well have we done?

1 Managing techniques

- Follow the set critical path, adjust accordingly
- sales representatives — weekly status reports to Coordinator
- quarterly meetings of all division to see “where we are?”

2 Monitoring techniques

- survey of consumers — to measure brand perceptions
- focus groups
- feedback from trade partners

3 Evaluating techniques

- sales figures
- penetration of golf and fitness clubs
- number of contracts with school, elite and professional teams

3 Ways to reward positive results and improve performance

- incentives to staff — tickets to sporting events, premiums
- respect and open communication between all staff

Conclusions

As any professional or amateur athlete that Gatorade supplies know, there is no “I” in team. All the divisions of the Gatorade team must work together to ensure a successful outcome against the rival forces.

Whether your team is aiming for the Final Four, the Superbowl or, simply, leader in the active thirst market, strategic planning is a vital tool on the road to any title. Gatorade realizes the significance of this statement now, more than ever before.

With new concepts, such as the Basketball Day and the Club Representation Program, Gatorade can capitalize on their loyal customer base and established brand name in the market. These strategies only scratch the surface of what Gatorade can achieve in this industry that is still in its growth stages.

There are no easy solutions. Strategic marketing means adapting to the changes in the marketplace, and constantly coming up with new and innovative ideas. It is important that Gatorade remember five words when it come to strategic marketing.

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There is no finish line
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