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Long term

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Lucozade Sport: Longitudinal Case Study

COMPANY PROFILE

Ogilvy Ireland, part of Ogilvy worldwide is owned by WPP, the world's second largest marketing communications organisation. The Ogilvy worldwide network includes 497 offices in 125 countries with 14,000+ employees working in over 50 languages providing Advertising, Promotions, Direct Marketing, Public Relations and Digital marketing services.

Ogilvy & Mather Dublin, is one of Ireland's largest advertising agencies handling a diverse portfolio of local Irish clients ranging from finance through major consumer brands to social marketing.

INTRODUCTION AND BACKGROUND

Launched in Ireland long before 'Brand Beckham' and the cult of the sports celebrity, Lucozade Sport recognized the potential in the growing trend for serious amateur participation in sport in Ireland as well as the influence that professional sport was having on amateur players and coaches.

"Ten years ago you'd see lads on the team bus on the way up to Croker having a fag. You'd just never see that now" Dessie Dolan, Westmeath senior footballer (*FBI Research, summer 2008*).

Sport is about results. So is this case

Lucozade Sport pioneered a drinks category now worth more than €52 million. Before its launch sports drinks were virtually unknown, so our

challenge was to tap in to the hydration and nutrition needs of athletes who were just beginning to understand more about the demands placed on their bodies by sports.

Importantly we also needed to establish Lucozade Sport as an Irish brand strong enough to withstand the threat of international brands like Powerade or Gatorade. We had to form deep connections and become indelibly linked with Irish sport.

Getting the message across

There have been three key phases of communication:

Launch: 1995-2001. UK campaign used in Ireland

Post-launch 1: 2001-2006. Irish developed 'Coach'

Post-launch 2: 2007-2008. Irish developed 'Proven when Tested'

Locally created communications since 2001 have seen Irish sales more than double. Our story will focus on these two key phases.

A tale of a marathon, not a sprint

There are few brands in Ireland that have managed to survive market trends and challenges over such a sustained period. This brand has fuelled category growth of 18%. Despite aggressive competition from Club Energise and Powerade, Lucozade Sport leads the sports drinks category at 66% market share. In addition it now holds over 8% of the carbonated soft drinks market and, in terms of recall, is the No.2 brand across the entire non-alcohol drinks category - just after Coca Cola.

Going for Gold

The return on investment generated by the communication campaigns is estimated to be 515%, or 105% per annum over the period 2001 to 2007. Lucozade Sport is a famous success story for GSK and has won two international GSK awards as results are unrivalled elsewhere in the world.

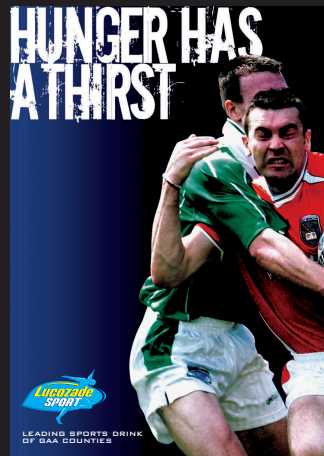
MARKETING OBJECTIVES

An Irish first

Glaxo SmithKline (GSK) has been operating in the energy drinks market for several years and has seen it undergo massive change. The tale of how original Lucozade moved from sickbed to street-cred is by now legendary. Its journey made the name synonymous with fast delivery of energy. In the late 1990s Glaxo SmithKline (GSK) recognised serious growth potential in energy drinks and formulated Lucozade Sport, a drink designed to cater specifically for



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Lucozade Sport
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sports people in training and performance. Being isotonic, Lucozade Sport is quickly absorbed into the bloodstream and hydrates faster than water. It also contains carbohydrates that readily deliver fuel to active muscles, preventing fatigue and prolonging performance.

How to divide and conquer

GSK had a fantastic product; their challenge to Ogilvy was to create an equally powerful brand. Our mission was to create a brand for the unique Irish market that could become as famous as Lucozade Energy but that would not overshadow or cannibalise it.

Long term objectives

The Ogilvy 360 team of advertising, PR and below the line specialists, together with GSK's brand managers made up the Lucozade Sport team and identified the following long-term objectives:

Education

Lucozade Sport has several initiatives in place to bring sports nutrition education to athletes in Ireland. From 2003 they had a strong link with the National Coaching and Training Centre (NCTC) in the University of Limerick. Our communications must contribute to broadening and deepening understanding of Lucozade Sport's science credentials and its role in sports nutrition from top athletes right down to amateurs.

Engagement

By competing in the wider CSDs market, we are going head to head with some of the most entertaining advertising in Ireland. As well as communicating the 'scientific' aspects of the brand, our challenge is to make the work accessible, compelling and likeable.

Support

Lucozade Sport is active within all levels of Irish sport, particularly focusing on the four most played and followed sports: soccer, gaelic football, rugby and hurling. We need to communicate this commitment to Irish sport and make sure our audience understands that the brand goes much deeper than the 'stars' who endorse it.

Key challenges during the phases of growth

Phase 1 - 2001-200: Qualifying for the league

Business objectives: Grow sales and share within the larger CSD segment and achieve full distribution.

Marketing objective: Position Lucozade Sport as the ultimate sports drink and defend this position.

Phase 2 – 2007 onwards: Retaining the title

Business objectives: Defend leadership in sports drinks and continue to grow sales and share within CSDs category.

Marketing objectives: Defend the positioning and elevate the brand above the ‘me too’ behaviour of competitors.

THE TASK

Phase One: Earning our place on the team

What’s wrong with water?

In 2001, water was the sports-drink of choice for all but the most serious athletes. How could we convince athletes of all types that Lucozade Sport was worth parting with their pounds for?

We’re talking to you

For an Irish audience, ads created using UK sporting personalities felt quite remote. No connection with Alan Shearer meant no connection with us. We needed to ensure that Lucozade Sport was not simply ‘an English brand’ that wasn’t even trying to talk to Irish people.

Sharing the limelight

From the early ‘00s Lucozade Sport began to sign up Irish sports stars as brand ambassadors. This posed a challenge: how to use the ‘stars’ without letting them outshine the brand.

How can we own science

From its inception, Lucozade Sport has stood for science. How could we ensure that our positioning could be maintained, no matter what else happened in the market?

A broad church of followers

The ‘lowest hanging fruit’ for a sports drink is serious athletes. They understand most about hydration and they’re open to alternatives to water. Lucozade Sport’s targets for growth meant that we needed to cast the net wider. We would have to become the choice of amateur athletes too.

The vultures are circling

Powerade, a Coca-Cola brand, launched in 2002 and secured the official IRFU sponsorship. C&C Club Energise launched in 2003 and, with a donation from every bottle going to the Gaelic Players Association, has strong GAA ties. Gatorade, owned by Pepsi, is the world's biggest sports drink. While it has no marketing in Ireland it is a threat that we must always be on the alert for.

Phase Two: Retaining the Captain's arm band**The best form of defence is attack**

With two big competitors nipping at its heels, Lucozade Sport risked losing share within sports drinks. But why look down when you can look up? The team decided to grow the category by directly attacking the CSD market.

Celebrity sponsorship fatigue

By 2006 the cult of the Sports celebrity was here to stay. Ireland was sucked into this \$30bn global industry, with men across the country sporting the latest Gordon Geraghty or Ronaldo 'do'. As a local sports brand, Lucozade Sport would need to fight to stand up and be counted among the glamour and mega-budgets of brands like Heineken, Adidas, Coke, Gillette and Toyota.

My celebrity is better than yours

Competitors were trying to follow where Lucozade Sport had led. Brian O'Driscoll was shamelessly plugging Powerade. GAA stars were leaping through lakes and docklands in the name of Club Energise. Lucozade Sport would need to do something radical to set itself apart from all of these 'me-too' look-alike communications.

Science in moderation

Even among amateurs, the science of sport was better understood and adopted. Canterbury 'under armour' and Nike+ipod were everyday 'kit'. But while consumers wanted the brand to prove its science credentials, there was a danger of appearing too elite and alienating less-serious athletes. The Lucozade Sport team had to find a new way to express its core science message.

THE STRATEGY**Cold hard science meets white hot passion**

Lucozade Sport has led the field and become the ultimate Irish sports drink. The brand has fused the immensely powerful Irish passion for sport with a

real, scientific product benefit. We have found a delicate balance between reason and emotion that allows sports people to believe in the brand as well as to like it.

LUCOZADE SPORT = SCIENCE + PASSION

Even real athletes play in the fantasy league

Through research, the Lucozade Sport team recognised a very real consumer truth: every athlete admires and aspires to be like the athlete one step above. Whether it's the senior team in their club, or a player in the next league up, they are constantly watching and learning how to improve. There's no harm in dreaming of an Ireland jersey. This 'pyramid of influence' is incredibly powerful. The Lucozade Sport team has tapped into this by targeting communications at more serious athletes. When we succeed in engaging them, we are on the way to engaging the athletes who aspire to be just like them. Our communications evoke this by allowing athletes at all levels to glimpse the world of the sports stars they dream of becoming.

Sports stars, not superstars

The Lucozade Sport team carefully planned how to use the ambassadors who are linked to the brand. Instead of focusing on one main sport or star, we have focused communications around the four sports that tug most at Irish heart-strings. Within each sport, the chosen stars are true representatives of dedication and performance: they are athletes more than they are 'celebs'. No David Beckhams need apply. Each piece of communication has been carefully devised to highlight the role of Lucozade Sport in this athlete's world. Where our competitors have been forced into niche positions (GAA, rugby), we have kept the brand relevant to so many more athletes.

The appliance of science

Science is coursing through the veins of this brand. Through careful research and true consumer understanding, the Lucozade Sport Team has found ways to make this science meaningful to Irish athletes.

2001 – 2006 'Coach' campaign

This campaign found a way to express the benefit of endurance that Lucozade Sport can give to athletes during training and performance. The campaign was built around the product claim 'keeps top athletes going 33% longer'.

2007 'Proven when Tested' campaign

Once the '33% longer' claim was well established, it was time to find a new,

more scientific expression of the brand's benefit. Our strategy for this phase was to educate our increasingly literate target about the Lucozade Sport's fast delivery of fluid and fuel to their muscles and to highlight the link between the brand and the very credible NCTC.

THE IDEA AND COMMUNICATIONS ACTIVITY

Communications have remained true to our strategy of fusing the deep Irish passion for sport with a real scientific product benefit. The proposition "science at the heart of sporting performance" has been evolved in ways to resonate with consumers and with the ever-changing Irish sporting world.

Phase one: archetypal Irish coach

The idea centred around 'the coach of all coaches who gets the most out of players' and his interaction with Irish athletes. The coach was a metaphor for the brand truth, urging the players onwards. He was a device to emphasise the 'keeps top athletes going 33% longer' message in an entertaining way, embodying the quirks, turns of phrase and humour of the typical Irish coach. We had given Lucozade Sport a uniquely Irish voice. Research (*Behaviour & Attitudes*, 2006) has shown the power of this campaign:

The impression of the executions based around him were that his persona:

- Involved pushing the players as hard as he could.
- Which is reminiscent for many of 'real' Irish coaches.

The research also confirmed his fame:

Particular phrases used by him emerge spontaneously in groups, indicating both the level of cut through of the campaign itself and the level of affinity that the target market have with the character:

- 'Kissy lips and fancy trainers'.
- 'Up there for thinkin, down there for winning.'

Thirsty for more

In 2005, the team decided to shift the emphasis from coach to players. We recognised the risk of wear-out of his delivery of '33% longer' so new spots moved him into the role of the players' 'inner voice'. These spots delivered the '33%' message more subtly and featured the tagline 'hunger has a thirst'.

Phase two. An even bigger test

From mid 2006 the Lucozade Sport team began development of a new

expression of the brand's promise that would drive our scientific credentials without sacrificing the emotional strength of the coach campaigns.

The perfect formula

The new campaign needed to express our scientific product benefits, as well as linking the brand with the NCTC. We were aware, however, of the risk of becoming too elitist and of mis-calculating the equation of science and passion/engagement. The reaction to early advertising concepts in research confirmed the importance of getting the balance right.

“The suggestion emanating from groups is that there is a fine balance to be sought between the entertaining depiction of the sports stars and the ‘science bit’ ” (Source: B&A research, Dec 2006).

This led us to the conclusion that the richest territory would involve ‘bringing the science onto the field of passion’.

The moment of truth

The new campaign was built on the claim “Lucozade Sport is formulated to maximise fluid absorption while delivering fuel to your working muscles”. The creative idea focused on the moment of truth in any game when a player is tested and needs to deliver. Because they can rely on Lucozade sport, they know that they have what it takes.

Sport moves fast, science has to slow down

The resulting TV ads looked radically different to anything that our competitors were doing. Using ‘time slice’ filming the viewer could see the player's moves and dissect the performance by the split-second. These were real sports ambassadors being tested in very real sports settings, with plenty of wind, rain and mud. An overlay of calibrations from the NCTC gave information on hydration, heart rate and fuel absorption. The campaign idea allowed for drama to be combined with a very ownable scientific message. The strapline was ‘Proven When Tested’.

Campaign structure:

Across both phases, we have implemented a media strategy devised to maximise the value of the ambassadors without allowing them to overshadow the brand's message.

Brand TV: The campaigns have been led by TV, which satisfied our strategy for fame, packed an emotional punch and delivered the science messages.

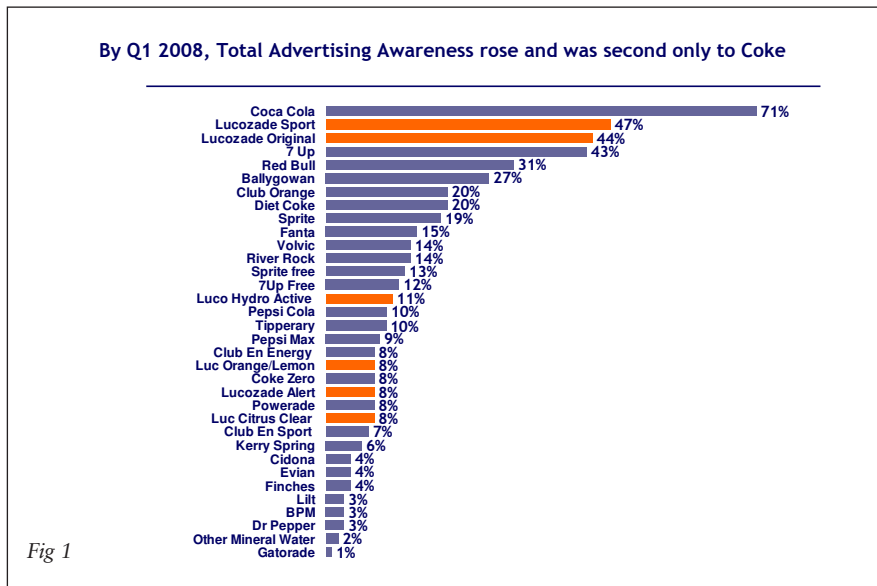
Tactical outdoor, press and TV: The serious athlete and serious enthusiast think of their year in terms of sporting fixtures so outdoor and press were used tactically around key matches and events in our four key sports. The ‘Proven When Tested’ TV campaign had a balance of 40” brand TV and 20” cut-downs specific to each sport, allowing heavy rotation during their key seasons.

PR – endorsement: PR campaigns by WHPR were used to quietly reinforce the endorsement of the brand by sports stars and also to highlight the links that the brand was constantly forging with sports and education at all levels in Ireland.

Below the line – relevance at point of purchase: Several highly-branded on pack, text and online promotions were used to support the brand during the summer months, when the CSD market is most competitive. The ‘spot the ball’ competition in 2006 was one of the most successful on-pack promotions ever run in Ireland.

THE RESULTS

The long-term strategy of pursuing fame and delivering ‘science at the heart of sporting performance’ has produced results rarely seen in such competitive categories.



The audience was reached

Lucozade Sport became famous to the whole of Ireland, not just athletes. After the coach campaigns, it reached 97% total awareness compared with Club Energise Sport at 76% and Powerade at 71%.

By 2006, it was second only to Coke in total advertising awareness scores and improved even further after ‘Proven When Tested’ (*See Fig 1*). A similar pattern applied for spontaneous **first** mentions of CSD ads. ‘Proven When Tested’ had cemented the brand’s fame. It held a massive lead over competitors on all awareness measures.

Our audience got the message

Not only did our audience see us, they understood us. The brand’s key message KPI’s such as ‘for sports people’, ‘gives you endurance’ and ‘aids performance’ rated highly after the Coach campaigns and improved further after ‘Proven When Tested’.

After ‘Coach’, we had met the challenge of becoming clearly differentiated from Lucozade.

“At this stage, Lucozade Sport is very much seen to ‘stand on its own’ in terms of its identity and status from Lucozade Energy” (B&A, December 2006).

We made a connection

To compete in the fiercely-fought CSD market, a brand has to have an emotional connection, it has to be liked. Lucozade Sport’s likeability scores consistently outperformed those of competitors.

While competitors remained in their niches, it was the brand that most connected with the passion and was most associated with Ireland’s key sports. This breadth and connection is also reflected in research (*FBI research, summer 2008*):

‘Lucozade Sport reminds me of more sports than any of the others. It’s involved in a lot more sports’, Fergal O’Callaghan, fitness coach to Munster rugby team.

‘I think it’s the most credible sports drink. It has more authority’ Barry Murphy, Munster rugby player.

This led to a change in behaviour

The brand’s adoption led to a **doubling** of sales between 2001 and 2007, the

period of our Irish advertising. Taking a sales index of 100 in 2001, Lucozade Sport's index rose to 261 in 2006 and 323 in 2007.

The strategy of growing the sports drink market within CSDs worked. The brand increased its penetration of this market: 'past month' usage grew from 9% to 12% between 2005 and early 2008 (Equivalent figures not available for earlier periods). Our competitors made no penetration gains in the same period.

Emerging victorious

The uptake of Lucozade Sport also meant that we grew our share of the notoriously tough CSD market. From 2004 to 2007, the brand grew from 5.7% to 8% value share, an increase of 40%, even while our competitors were investing in their brands. By 2007, Lucozade Sport is the clear champ of the sports drink market, with 66% share of the category that it created.

PAYBACK AND RETURN ON INVESTMENT

Stunning returns

At 66% of the sports drinks market, Lucozade Sport was worth €34m in 2007.

We estimate that the return on combined advertising investment 2002-2007 is 515% or 105% on average per annum. The brand produced strong sales to advertising spend ratios over the course of the 'Coach' and 'Proven When Tested' campaigns. (Note, production budgets are not included in this analysis as accurate comparable budget data is not available for each year of the campaigns).

Did packaging or distribution have an effect?

Lucozade Sport had reached full distribution in Ireland by 2002. Both Powerade and Club Energise also had full distribution almost immediately from launch.

Lucozade Sport changed its packaging in May 2005 to a sportier shape with sports cap. The uplift in 2005 is unlikely to be down to the packaging change alone.

Can an increase in sports participation account for this success?

Some research shows an increase in sports participation in 21st century Ireland. We see a 13% weekly and 11% monthly increase in participation in sports/

exercise between 2003 and 2006. This corresponds with Lucozade Sport's 40% increase of the CSD market and no significant increases by our sports drinks competitors within CSDs. Our share gains can't be simply thanks to a slightly sportier nation.

Was it the 'star power'

The Irish advertising featured an almost unchanged lineup of athletes from 2002 to date. What changed in this time was *how* we used them to strengthen the brand's science message and engagement. The only notable 'new signing' was Kerry footballer Colm Cooper who featured in commercials from 2007. Since 2002, Brian O'Driscoll, Ireland's (and occasionally the world's) No.1 rugby star, has fervently promoted Powerade. He was joined by Munster and Ireland's Paul O'Connell in 2005. Club Energise has always used a host of GAA county stars in its communications, and also benefits from the 'goodwill' factor of contributions to the GPA.

Does our 'brand size' have an effect?

While research has found that category-leading brands don't tend to have to spend as much on advertising to gain awareness increases, it is harder for a big brand to gain market share than it is for a smaller competitor (*Binet, L & Field, P, 'Marketing in the Era of Accountability' 2007 p51*). Despite this, Lucozade Sport's share growth far exceeded that of hungry Powerade and Club Energise.

Was it really the advertising that worked?

Lucozade Sport was advertised in Ireland since 1995. It was not until the dawn of Ogilvy's targeted, insight-driven Irish advertising from 2001 that the sales showed an effect. In the impartial words of B&A (December 2006):

- There is widespread consensus in groups that advertising has played a pivotal role in developing the Lucozade Sport brand through the years.
- Advertising immediately emerges in discussion as a central aspect of the brand imagery, that has engaged and entertained through the years.