

THE *Gatorade* RULES

Nine Business Principles for Phenomenal Brand Success

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1 Make Sure Your Product, Service, or Brand Is Unique and Know What Makes It Unique.

As soon as Quaker Oats acquired the Gatorade brand from Stokely Van-Camp in 1983, they knew they had to determine whether the drink really worked. The company started funding studies on the science of fluid replacement and sports nutrition. In 1988, Quaker opened the Gatorade Sports Science Institute (GSSI), complete with a lab, to make sure that Gatorade would continually live up to its claim as the best thirst-quenching product in the world.

2 Never Stop Researching the Marketplace. Just because Gatorade was still dominating the market in the late 1990s didn't mean that its brand managers sat on their hands. Instead, they invested in research to better understand who their current consumers were and why they bought the product. Sales of Gatorade soared through targeting competitive, sweat-conscious amateur athletes.

3 Identify Drivers of the Business and Take Care of Them. Thanks to Olympic javelin champ Bill Schmidt, Gatorade became the winning drink of the pros who influence pro athletes: team trainers. When Schmidt took over Gatorade's sports marketing in 1983, he got right to work on developing a good rapport with the trainers. He recognized their needs and provided

them with the support, funding, and mission to establish the NFL Trainers Association. In the process, Schmidt won the trust of trainers and Gatorade a high-profile place on the sidelines.

4 Never Stop Working to Get Your Next Consumer. In 1985, Gatorade's brand managers began to focus on the kid-athlete community. To invest in its next generation of consumers, they created an awards program for elite high school athletes who also excelled on the academics field. Winners include Emmitt Smith, Shaquille O'Neal, Marion Jones, and Derek Jeter.

5 Packaging Counts. When Gatorade was introduced in a single-serving 16-ounce bottle, sales took off. When Gatorade changed its 32-ounce bottle from glass to plastic, volume rose by 25 percent in the first year alone. In 1995, Gatorade was the first brand to put a noncarbonated drink in a push-pull squeezable sports bottle.

6 Learn from Your Mistakes. One of Gatorade's greatest mistakes was Gatorade Light. Quaker introduced this low-calorie, saccharin-sweetened version in 1990. But loyal drinkers—over 80 percent male—made clear they wanted full-strength Gatorade or nothing. Though Gatorade Light fizzled, Quaker learned valuable lessons. The eventual result was the creation of Propel, a vitamin-enriched flavored water with

just 10 calories per serving. Launched regionally in 2000 as part of the Gatorade family—but with a different brand name, image, and formulation—Propel is now the market leader in flavored fitness water.

7 Seek to Connect Emotion and Passion to the Brand.

Gatorade didn't fight off the onslaught of Pepsi (All Sport) and Coke (POWERAde) in the early 1990s by simply having a good product. Gatorade also had good people behind it, employees who felt strongly about the brand and connected with consumers through real, poignant and relevant advertising. One of the most effective ads was an emotional spot called "Love Hurts," which ran in 1997, and dared to show athletes as people who suffer and sometimes lose while striving to be their best.

8 Stay Disciplined. With any powerful brand, there's a temptation to use the brand name to branch out, and risk overextending and devaluing the core brand. Over its 40-year history, Gatorade has survived misguided brand extensions, from Gatorgum to Gator Bars, which grabbed a mere 0.8 percent of the crowded energy bar market by the end of 2002, its second and final year on the shelves. Yet, under Quaker and now PepsiCo, Gatorade has stayed strong as the ultimate sports drink for active, competitive people by staying on target the majority of the time.

9 Form Smart Strategic Alliances. When ESPN introduced its Web site, ESPN.com SportsZone, in 1995, Gatorade was the very first advertiser. Thus, the world's #1 sports drink tied itself to the rise of "The Worldwide Leader in Sports." In the summer of 2004, Gatorade continued one of the most powerful alliances in the sports world by putting out 1 billion of its bottles with the ESPN logo on them, commemorating the network's 25th anniversary. Investing in ESPN has paid off. Through association, Gatorade has established itself as relevant in defining the sporting landscape for fans. ❖

Adapted from *FIRST IN THIRST: How Gatorade Turned the Science of Sweat into a Cultural Phenomenon*, by Darren Rovell.