

TITLE OF CASE STUDY: FROM LOCAL TO GLOBAL BRANDING – A POWERADE CASE STUDY

Powerade is the leading sports drink of The Coca-Cola Company. Launched in the United States in 1992, Powerade is now sold in 80 countries. Powerade is the fastest growing major sports drink brand globally, and is one of fourteen, billion dollar brands from The Coca-Cola Company.

Powerade is an example of a brand that grew successfully over the past 10 years with locally developed positionings and communications. However, with the pressure to increase efficiency/productivity/profitability, and with the increasing association of Powerade with high-profile international sporting events such as the Olympics and FIFA World Cup, the establishment of a unified global positioning became critical. By adopting a consistent brand vision, Powerade would be able to speak to consumers around the world in a consistent voice while leveraging financial efficiencies with agencies and global media outlets.

Like most global companies, The Coca-Cola Company historically drew on local in-market experience, competitive review, and strategic rationale to inform its brand positioning within a given region. This positioning was then integrated with the brand's goals and targets in each cultural and competitive context to establish a brand plan. The challenge inherent in a move towards a consistent global brand vision was that it posed a potential risk to the local business if the global positioning was not as relevant to the local consumers as the current offering. Additionally, qualitative research, the typical approach used to develop and assess positionings, did not allow for accurate cross-market comparisons of consumer appeal, volume potential, and risk. This reflects a problem The Coca-Cola Company shares with other global companies: convincing local managements to change from a local positioning that has proven successful. Without the “facts” and rigor provided by quantitative measurements that can address local concerns about the risk of changing, it can be difficult to align markets behind a singular approach.

The Coca-Cola Company hoped that by combining quantitative research with strategic rationale, market experience, and qualitative learning, they would bring greater precision, rigor, and insight to this process, thus facilitating consensus across markets and reducing the overall risk involved in global repositioning. TCCC asked Millward Brown to collaborate in developing such an approach. The resulting research model linked the “art” of position-creation with the “science” of a rigorous volume-based outcome. This enabled TCCC to review the findings across markets and align a global positioning that conveyed a consistent vision for the brand while allowing for the local flexibility needed to assure the relevance of in-market messaging and other marketing activities.

The results of this research program provided compelling quantitative evidence that fostered consensus across markets and increased confidence in Powerade’s global positioning strategy.

The research also identified ways in which the positioning could be optimized, both overall and for each market.

The Research

After a review of best practices in leveraging consumer opinion to inform effective positioning, Millward Brown designed a two-stage approach.

1. In the first stage, a segmentation scheme was created to explore category users' sports participation habits, sports attitudes, performance needs, beverage consumption during sports and sports drink brand perceptions. The intent was to develop more complete definition of the core Powerade consumer target.
2. Stage two was the creation of an online social networking forum among the target consumers where respondents reported their motivations for participating in sports, as well their current perceptions of sports and sports activity behaviors. They also provided reactions to different Powerade positioning concepts and the extent to which these resonated with their sports activity experiences. A score card summarized each concept's appeal, uniqueness, fit with the brand, and overall potential, as well as key messages, likes, dislikes, associations, and opportunities for improvement.

Segmentation

In order to gain a more thorough understanding of the perceptions, attitudes, behaviors and needs of sport drink consumers, a segmentation study was undertaken. The goal: to provide an understanding of local-market similarities (and differences) of the core sports drink consumer in order to feed into global and local strategy development, target definition, as well as guide development of the brand's communication plan.

Across five markets: Spain, Germany, Italy, UK, and Poland, the study interviewed respondents between the ages of 16 and 40 who practiced a sport at least 2-3 times per month. Topics ranged from motivations and attitudes towards sports, types of sports they participated in, and their needs/motivations for drinking beverages during sports occasions, and perceptions of sports drinks.

The segmentation study identified seven unique consumer segments. The attitudes and needs of these segments varied from "participating for health reasons and/or doctors orders" to "considering myself a professional athlete". These segments were very similar in profile and size across the different markets. The most important segment for sports drink consumption was that of 'True Sportsmen'. This segment saw participation in sports as a daily activity and a way of life. These consumers had played sports for years, associated themselves with teams and enjoyed the competition and social aspect of sports. These respondents also played and practiced *team* sports twice as much as the average consumer. Though a smaller portion of the population, this group accounted for a significant amount of sports drink volume in the sport occasion.

Results from the segmentation study provided a detailed definition of the target consumer, as well as the types of sports played and motives behind selecting a sports drink that could be applied across markets.

Findings from the segmentation research led to a number of questions around whether the local positioning and values for the brand were on track for this core consumer group. Additionally,

there remained questions about how best to increase occasions, frequency, and penetration among this group – to understand the needs of each segment for different product offers (before vs. after exercise).

Defining and understanding the similarities of this core consumer across market was the first step to developing a consistent positioning for the Powerade Brand

Consumer Co-Creation - Ideablog

In the second stage, Millward Brown recommended a new research approach for gathering consumer insight – IdeaBlog, a social networking environment designed for idea evaluations– with structured, trade-off analytics using a "Max-Diff" methodology as part of the IdeaBlog execution. IdeaBlog offered a way to get deeper insights from core consumers in a more “natural environment” (to them) – on-line. In utilizing this approach, a rich and colorful consumer assessment unfolded while also having an objective basis for evaluating the positioning concepts and their core elements.

These social networks of True Sportsmen were created and conducted in five countries: United States, Mexico, Great Britain, Italy, and Australia. The test stimulus for Stage 2 involved a 100 to 150-word concept with supporting visuals that described various aspects of the sporting occasion, the needs within the occasion, and the role of the beverage. Ten concepts were tested among the priority segment, "True Sportsmen".

The IdeaBlog environment was considered the perfect tool for evaluating existing ideas and generating new ones to reflect consumers' perceptions of the brand's essence. It provided a highly interactive, iterative process in which consumers were invited to respond to positioning concepts and communications strategies. Participants not only contributed their views to discussion boards, but also upload images, videos and website URL's of their sports interests and past participations, and gave their opinions in quick polls and surveys.

Response to the concepts yielded several critical insights. There was a consensus across groups and countries that too much emphasis had been placed on winning in sports and competition. Respondents indicated that they participated in sports to challenge themselves and to continue to improve. They enjoyed competition, but these athletes reserved the right to define what “winning” meant to them.

The best performing concepts also highlighted additional similarities across all markets. The principles gleaned showcase the importance of a positioning built around:

- Inclusiveness
- A recognition of ‘the journey,’ not just winning
- Acknowledgement of the enjoyment of the game, the passion for the sport
- The importance of the team as a social connection

The strongest concepts revolved around the globally resonant theme of "performing at your best" while being rooted in persuasive benefits that revolved around hydration.

These insights helped Powerade evolve their global brand vision to one that promised to be effective across markets. While research informed a global decision, market-level data was also available to aid the individual markets' implementation of the positioning in a way that best fit the local culture and competitive context.

The learnings and insights from these 2 pieces of research were the basis for the Integrated Marketing Communication plan for FIFA and the Creative Communication brief to the agency.

A Campaign Emerges

With the research results in hand, the FIFA World Cup presented a unique opportunity to create a global campaign to build sports credentials and accelerate recruitment for Powerade. The communication goals of this campaign supported the key principles uncovered in the research (inclusiveness, “the journey,” enjoyment, and the social connection) and also leveraged:

- The endorsement of FIFA (“Chosen by FIFA...”) – a unique endorsement that brought a strong competitive advantage
- Important functional benefits to drive purchase
- Engagement with shoppers’ excitement to drive participation and impulse purchase.

The campaign was brought to life by inspiring and educating footballers “all the way to the raising of the trophy”.

The campaign was rolled out in 3 phases to ensure maximum awareness, involvement, and brand appreciation. First, Powerade established association with FIFA through local PR events and by launching VIS and shopper work. Next, the brand seeded the campaign to help avid footballers find ways to play better and longer. Once the foundation of the campaign established traction with hardcore footballers, the brand took it to the next level to maximize reach and participation.

The main driver of reach for the campaign was a TVC that solidified the performance and endurance message. Print and OOH also drove reach and focused on ‘hero-ing’ Powerade’s performance abilities. To drive participation and trial the brand kicked-off experiential elements at local football pitches utilizing:

- Never-ending game kit - A series of premiums selected by markets as well as tips to train players how to relieve dehydration and fatigue
- South African Football Clinics – A series of clinics where aspiring athletes learned about hydration and POWERADE benefits. These clinics also taught unique techniques to improve performance and encourage the joy of playing.

The campaign finished off with work to connect Powerade to the actual matches in order to drive word-of-mouth. Utilizing billboards around the pitch and providing Powerade bottles to players, those watching the matches couldn’t help but see the Powerade brand. Finally, Powerade unveiled a digital program on fifa.com with collectible clips from the FIFA 2010 World Cup matches. Powerade created a great plan that established the brand as the go-to sports drink for footballers the world over.

Testing the Campaign

Utilizing Millward Brown’s Link copy testing tool, the campaign and television commercial were tested to understand breakthrough and persuasion. The results were outstanding! The campaign was rated in top 15% of all tested IMC campaigns. Furthermore, the campaign and television evaluations surpassed norms on every key measure. Overall persuasion score was exceptionally high due to strong appeal.

Both the TV ad and the campaign delivered strong results across all metrics because they seamlessly integrated Powerade into the ads in a way that was natural and relevant to consumers. Additionally, the core message was simple, realistic, believable and resonated well with consumers.

Business Results

For the first time Powerade had a globally consistent and relevant campaign and The 2010 FIFA World Cup represented the perfect opportunity to raise the brand's global voice and reinforce its credentials in sports. The brand was able to activate the global campaign across the top twenty Powerade markets.

In doing so, Powerade's momentum has accelerated since the FIFA World Cup program hit the global marketplace.

- Powerade volume grew by double digits (versus previous year)
- Positive Momentum was generated across a broad reach of geographies, including: US, Canada, Mexico, Brazil, Argentina, Spain, Turkey, Korea, Philippines, etc...
- Powerade volume share grew vs. previous year
- Powerade June YTD value share grew vs. previous year.
- Finally, Powerade improved their ratio of non-working DME (includes agency fees, adaptation, brand-marketing assets, market research and production) with an estimated productivity gain of multi-million dollars for sports drinks.
- Tracking data results showed a significant increase in favorite brand scores among those aware of the sponsorship while consumption intent also grew significantly.

In the end, it was clear that Powerade had an impressive IMC and TVC, contributing to an increase in volume and share performance.

In summary, the designed research program coupled the power of an interactive, qualitative, consumer-listening approach with quantitative research to engage respondents and the rigor of advanced analytics to predict results. This approach promises a new way forward for future global positioning research.