



THE MARKET

In its broadest sense, Gatorade competes in the beverage market. However the functionality and performance benefits of the product narrow this field to what the company refers to as the 'Active Thirst Market', the domain of Gatorade.

It has been estimated that approximately one in seven or 15 per cent of beverages are bought to quench an 'active thirst'. That is, a thirst resulting from exercise, physical hard labour, sports, etc. Gatorade has been scientifically formulated to quench an active thirst better than any other beverage due to the physiological changes that occur in the body following exercise. Once the human body becomes active it starts to sweat and becomes dehydrated resulting in an actual change in human taste preference.

Research undertaken at the GSSI proves that once an individual becomes active, a physiological change takes place and the body will actually prefer the taste of lightly flavoured and sweetened, non-carbonated drinks like Gatorade over full sugar carbonated beverages.

ACHIEVEMENTS

The sports drink market was created in 1965 when Gatorade was invented by scientists at The University of Florida, for the Florida 'Gators' football team. From such humble beginnings the brand has grown to become the world's leading sports drink.

The introduction of Gatorade helped change the fluid-replacement practices of athletes across the United States, around the world and in Australia. Instead of discouraging fluid intake during training and competition, as had been prevailing practice, coaches started to understand the necessity of consuming fluids during exercise to avoid dehydration, heat illness and early fatigue.

Built on a solid scientific platform, Gatorade prides itself on being the most thoroughly studied consumer food product on the market, in terms of human physiology research. When food company Quaker Oats acquired Gatorade in 1983, they



founded the Gatorade Sports Science Institute (GSSI), a research entity dedicated to enhancing and sustaining human performance and health through nutrition.

The GSSI and Gatorade Sports Science Exchange (GSSE) are world-renowned resources among coaches, trainers and nutritionists. It's this dedication to sports science research and product performance that can't be matched and is why Gatorade is used by so many of the world's top athletes.

In January 2000, Gatorade flew Brad Beven, five times Australian Champion Triathlete, to the GSSI in Chicago for three days of intensive testing. The tests he undertook were to provide him with valuable information for future training and race preparation to help him gain that competitive edge. These tests included a cardiac stress test, sweat test, maximal oxygen consumption and nutritional consultation. He explains his time at the Gatorade Sports Science Institute by saying "I'm

trying to get every bit of information I need to go faster. Just picking up information like dehydration and sodium deficiencies are all part of achieving that aim. The purpose of doing this with the GSSI was to gain an extra couple of per cent to get the edge to cross the line quicker..."

HISTORY

In the early 1960s, the University of Florida research team began development of a drink that would

rapidly replace body fluids and help prevent the severe dehydration caused by hot weather and physical exertion. Under the direction of Dr Robert Cade, the group began testing a formula on 10 members of the University of Florida football team whose members were experiencing significant fluid loss during practice and games.

The drink's formulation of carbohydrates and electrolytes was based on the latest scientific research and the supposition that 'Gator' athletes could benefit by replacing the fluid, energy and electrolytes lost during exercise. This test beverage became known as "Gatorade".

That season, the Gators enjoyed a winning record and became well known as the "second half team" by outplaying their opponents during the final half of the game. The team's coach recognised the advantages of having his players drink Gatorade, noticing that they had fewer problems with dehydration and showed greater endurance. In fact, on January 1, 1967, when the Gators beat Georgia Tech in the Orange Bowl, Georgia Tech head coach Bobby Dodd told Sports Illustrated magazine that the reason for his team's loss was that "We didn't have Gatorade. That made the difference".

The story has become legend and the drink became Gatorade.

THE PRODUCT

Gatorade is the No. 1 selling sports drink brand in the world. In August 2001, the US based Quaker Oats Company, owner of the Gatorade brand, merged with the Pepsico, Inc. group of companies to complement that company's portfolio of powerhouse brands.

From the inception of the product, science has been used to ensure that no other beverage replaces lost fluids, energy and electrolytes faster than Gatorade. Gatorade pioneered the 6 per cent carbohydrate solution, which is now used by other isotonic sports drinks. It has the optimal level to ensure the fastest possible absorption. In fact no other beverage speeds fluids, minerals and energy to the body faster than Gatorade.

Gatorade is formulated on the premise that if an ingredient doesn't improve performance or rehydration, then it has no place in Gatorade.

Gatorade is not carbonated, as carbonation can cause gastro-intestinal distress and it does not contain preservatives, which can cause 'throat



burn'. Gatorade is hot filled in PET bottles, with a wide mouth to allow gulping. Gatorade is also formulated with a light sweetness and flavour profile to accommodate taste preference changes that occur with exercise.

RECENT DEVELOPMENTS

In October 1999 Gatorade successfully launched its new sub-line, Gatorade Frost. It was positioned to "really cool you down" in hot and sweaty occasions by offering consumers a light and refreshing blend of fruit flavours. The Frost promise of cooling was the central idea behind the marketing campaign "Captivated", which aired in Summer 1999/2000. "Captivated" was highly successful in introducing Frost to consumers and communicating its cooling ability in a humorous and unique way. The spot also ensured that Frost is clearly differentiated from current sports drinks and the core Gatorade brand.

Following on from the success of Frost, Gatorade Fierce was introduced to the market in October 2000. Fierce, a new line extension offered consumers bolder colours and more intense flavours than traditional Gatorade. Fierce appeals to consumers who want a sweeter flavour offering, while still providing the same scientifically proven Gatorade formula which is proven to enhance performance. The Gatorade Fierce launch was supported with a dedicated TV commercial "Raptor vs Raptor" which featured a fierce game of basketball between NBA star Vince Carter, who plays for the Toronto Raptors, and a Velociraptor dinosaur. The Raptor spot, which was created by the makers of Jurassic Park, effectively demonstrated the fierce attitude of the new line and helped drive another successful Gatorade launch.

In Summer 2000 a 1.5 litre Gatorade was launched specifically for the grocery market and targeting in-home consumption occasions. There are many



occasions around the home when people are susceptible to dehydration and Gatorade identified this and developed a larger pack to target this consumer occasion. The 1.5 litre pack represents true packaging innovation in the sports drink market providing grocery buyers with a value for money take-home pack.



In 2000, Gatorade also brought additional news to the brand though the roll-out of new pack graphics across the entire Gatorade range. The new look features the new Gatorade logo together with revised pack graphics which have assisted in driving brand modernity, intensity and appeal. The label graphics give a sense of speed and energy and have proven to heighten the on shelf brand impact for Gatorade.

PROMOTION

In 1993 when Gatorade was launched in Australia it was supported by one of the most memorable TV campaigns of all time, "Be Like Mike". The catchy jingle and inspirational images of Jordan, helped to catapult the brand to clear market leadership within 4 weeks following the launch. Indeed the endorsement of Gatorade by Michael Jordan, the world's highest profile and best loved athlete, has taken the brand to new heights and ensured immediate high level awareness for the brand following each new market entry.

The phrase 'scientifically developed, athletically proven', is true of Gatorade and is why the brand's

distinctive orange cooler bins and green cups can be seen on the sidelines of the world's top sports teams and competitions.

In Australia many top sporting teams and competitions have adopted Gatorade as their official sports drink including the Australian Cricket Team, National Rugby League including State of Origin teams, Australian Rugby Union and many of the top V8 racing car drivers, as well as many of the nation's leading triathletes and endurance runners.

BRAND VALUES

When Gatorade was first developed in the 1960s at The University of Florida, the researchers relied upon the latest discoveries in medical science to guide the formulation of this unique beverage. This commitment to scientific research has continued to be a hallmark of Gatorade. Gatorade scientists are constantly looking for new ways to make Gatorade an even more effective fluid, energy and electrolyte replacement beverage.

This ongoing research is often conducted in co-operation with some of the top sports scientists in the world to make certain that the Gatorade formula remains optimal. In Australia, Gatorade works closely with the country's leading sports doctors and dietitians and is a founding sponsor of SDA, the Sports Dietitians Australia group. Together with SDA, Gatorade Australia has been instrumental in developing guidelines for fluid replacement in sport, for coaches and athletes alike.

Expertise in sports nutrition is one of the unique and distinguishing attributes of the Gatorade brand. This massive research effort is the reason Gatorade's formulation has never been bettered and why so many top athletes and sporting organizations trust only Gatorade to provide that performance edge.

THINGS YOU DIDN'T KNOW ABOUT GATORADE

- In the 2001 City to Surf, 50,000 runners consumed more than 70,000 litres of Gatorade along the 14km course.
- The name Gatorade derives from the Gators but it was originally called Cade's Cola or Cade's Ade. When Quaker Oats acquired the brand in 1985 they wanted to call it 'Quinch', but market research revealed that people already knew the drink as Gatorade and so the name remained.
- During the famous '67 Orange Bowl match, Gators player Larry Smith ran an amazing 94 yards, with his pants falling down, to make a touchdown that won the game. He crossed the line with the ball in one hand and his pants in the other. After the game his mother was heard to say, "Gee coach, can't you get my boy some pants that fit". Larry Smith's touchdown is still a record today.
- In terms of human physiology research, Gatorade is the most thoroughly studied consumer food product on the market.

