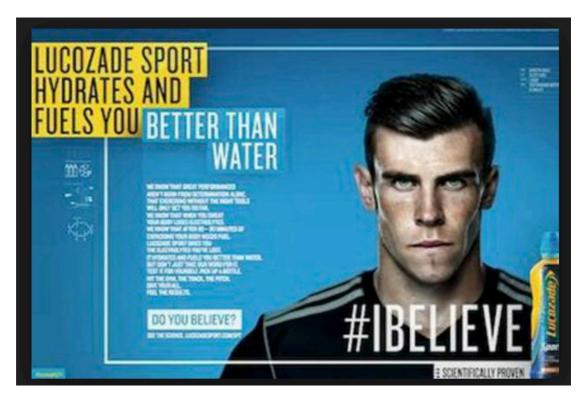
## **LUCOZADE ADVERTISING & MARKETING CASE STUDY**





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Superbrands case studies: Lucozade

The UK total cold drinks market is large and competitive, with many powerful and famous brands with large marketing budgets competing for share. As a result, the market can be an ever-evolving test for brands that wish to continue to grow in a category that is currently worth £3.55bn.

Within the cold drinks market, increases in the soft drinks category have been slowing. However, growth has been driven considerably by the Energy drink sector, which was worth an estimated £940 million in 2003 and has grown +26% since 2001. (Source: Mintel Energy & Stimulant drinks Market Report August 2003). The energy drink category continues to grow at pace with brand extensions and new entrants to the market emerging every year. This represents both a challenge and an opportunity for the category's leading brands.

Since its launch <u>Lucozade</u> has been the market leader in the energy drink category with just under 60% value share of the category. Key competitors include Red Bull and Powerade with 27% and 4.5% value share respectively. 2003 also witnessed the introduction of several Private Label sport and energy drink launches from the major grocers. The rest of the market is made up with a plethora of smaller brands, predominantly operating in the stimulant drinks sector, and distributed via the Impulse channel and the on-trade environment. (Source: Nielsen value share data, MAT to December 27th 2003).

#### **Achievements**

Launched in 1927 as a provider of energy during recovery from illness, Lucozade is the original energy drink and has been the category driver ever since. Lucozade Energy is currently the category leader with sales worth £150 million in 2003.

In 1982 Lucozade was repositioned from a drink that aided recovery to a drink that replaced lost energy. As a result of this, together with strong advertising and new product development, the brand has consistently enjoyed over 10% year-on-year growth throughout the decade, cementing its position as the clear category leader.

Launched in 1990 to phenomenal success, Lucozade Sport was the UK's first mainstream sports drink. The brand now has a 17% value share of the Energy category and is the UK's leading sports drink. The range has also been extended to include a nutrition bar and carbohydrate gel.

Further innovation followed in 2003 with the launch of Lucozade Sport Hydro Active, a new fitness water specially designed for exercisers and gym-goers.

- True or False the cold drinks market is worth over £3 b
- 2) True false the Energy Drinks Sector is declining
- Name some of Lucozade's main competitors
- 4) When was L launched?
- 5) sales figures for 2003?
- 6) How did it reposition itself in 1982? What do you think 'repositioning' means?
- 7) NOT IN TEXT based on the info so far, what do think was the brand's identity in the 1960s?
- 8) How did it rebrand itself in the 1980s and 1990s?

9) What was the main original

History

A pharmacist in Newcastle formulated Lucozade in 1927. He wanted something to help his children during times when they might be suffering from a cold or the flu. He formulated a palatable, easily digestible glucose drink that could help recovery from sickness by providing them with energy when they did not feel like eating food.

In 1938 the brand was bought by Beecham and was distributed nationwide, soon becoming renowned across the country as a trusted symbol of recovery.

The 1950s and 1960s saw Lucozade begin heavyweight national advertising support. The result was classic advertising of the age depicting sick children enjoying the 'nice part of being ill'.

However, by the 1970s there was a decreasing role for Lucozade in people's lives as the general population began to grow healthier as the incidence of illness became less frequent: The days of the heavy annual cold and the epidemics of flu were in significant decline. As a result, sales of Lucozade began to drop. An initial brand repositioning, which remained rooted in health and recovery, sought to position Lucozade as a healthy provider of energy to help people recover from the natural daily lulls in energy they might suffer during the day. This was not a great success and the brand's future looked to be in jeopardy.

It was in 1982, however, that the most significant and successful repositioning took place. 'Aids recovery' was removed from the bottle and was replaced with 'Replaces lost energy'. Lucozade became a brand that could provide energetic, busy and successful people with the energy they needed to perform to their full potential. Using the Olympic Decathlete Daley Thompson as a brand icon, Lucozade went from strength to strength. With a succession of new flavour launches and innovations in packaging, the brand became one of the 1980s famous success stories.

In 1990 the Lucozade brand diversified further with the launch of Lucozade Sport, a range of isotonic sports drinks. In balance with your natural body fluids, the brand promised to 'get to your thirst, fast'. Lucozade Sport was the first brand to launch with a sports sponsorship deal namely British Athletics and the FA Carling Premiership and continues to be endorsed by some of Britain's leading athletes including Michael Owen and Jonny Wilkinson.

Lucozade Sport Hydro Active, launched in 2003, is positioned as a fitness water for people who exercise or go to the gym. This carries on a tradition for Lucozade Sport in creating a new sector that is in tune with changes in lifestyles and reflects the development of sport & physical activity.

ingredient? Connection with the brand name?

- 10) how did the original 50 & 60s advertising market the brand?
- 11) Why did sales drop in the 1970s?
- 12) What is meant by product 'repositioning'?
  - 13) Why do you think it was a wise strategy to change its motto/tagline 'Aids Recovery' in the 1980s?
- 14) When did sales revive? Why? (give 3 reasons for its success)
- 15) name two sponsors and two endorsers in the 1990s
- 16) What is the word for branching out and launching new products? Give examples relating to Lucozade.

#### **Product**

Since its launch in 1927 Lucozade has remained at the cutting edge of energy provision with improved formulations, new products, scientific development and, for Lucozade Sport, research in the Lucozade Sport Science Academy (LSSA).

Lucozade provides a number of different products in its range to cater for all energy and hydration needs: Lucozade Energy, Lucozade Sport and Lucozade Sport Hydro Active.

Lucozade Energy, the original energy product, is a carbonated glucose drink that is a fast and effective provider of energy to the body and brain. It is available in its classic Original flavour as well as in Tropical, Lemon, Orange, Citrus Clear and new Wild Berry, available since April 2004. Lucozade Energy is also available in tablet form to make energy provision convenient wherever the consumer may be. The tablets are available in Original, Orange & Lemon varieties.

Lucozade Sport is an isotonic sports drink that helps boost performance when consumed before, during and after sport. As a crucial part of sporting preparation, Lucozade Sport comes in a number of flavours: Orange, Lemon, Mixed Citrus and Berry.

Lucozade Sport Hydro Active is a low carbohydrate fitness water containing electrolytes, vitamins & calcium designed to provide better hydration than water during exercise.

Lucozade Energy continues to drive category growth through advances in consumer understanding so when consumers' revealed they were looking for energy for their brain as well as their bodies, Lucozade Energy set about scientifically researching this need.

The result was evidence to demonstrate that Lucozade Energy is an effective provider of energy for the brain as well as the body with proven effects to benefit concentration, focus and alertness.

Lucozade Sport's role as 'essential preparation' for sport has created new opportunities for the brand. Of particular note, was England's victory at the Rugby World Cup 2003. The England rugby team use Lucozade Sport and Matt Dawson and Jonny Wilkinson are both sponsored by the brand: What better demonstration of the brand's benefits than enduring 100 minutes of hard World Cup Final rugby and still having the ability to drop-kick the most important kicks in England's history to win?

The launch of Lucozade Sport Hydro Active has created a new sub-brand and market sector of fitness water. Launched in May 2003, Lucozade Sport Hydro Active has had an immensely successful first year

Promotion

16) How did the brand continue to appeal to consumers after 2003?

The Lucozade brand has a history of bold, memorable and iconic advertising.

Heavyweight advertising started in the 1950s and 1960s, communicating the benefits Lucozade offered during recovery from cold and flu. Typically, poorly children were depicted being given Lucozade at times when they were suffering with colds and Lucozade became known as 'the nice part of being ill'.

With several flu epidemics during the two decades Lucozade established itself as a trusted household name.

It was in the 1980s, however, that Lucozade advertising really came into its own with the famous and groundbreaking Daley Thompson campaign.

As the Olympic gold medal winning decathlete, Daley was an ideal embodiment of someone who needed seemingly limitless amounts of energy in order to perform and the campaign, along with its stirring Iron Maiden soundtrack, is still remembered fondly by people today.

Since then Lucozade has used a number of iconic figures in advertising including Linford Christie, the Olympic 100m Sprint gold medal winner, and, most recently, the Tomb Raider heroine Lara Croft. The result has been a significant acceleration in the increase in sales following the introduction of each new icon with the brand doubling in size since 1988.

Lucozade Sport's advertising has featured some of Britain's leading sporting icons.

The brand was launched using the England and Liverpool footballer John Barnes and since then advertising has featured the then England football captain Alan Shearer during the late 1990s when Lucozade Sport first advertised the fact that it could 'keep top athletes going for 33% longer'.

The 2003 campaign captures a sporting truth that has never been used by a sports brand before -- the importance of preparation.

The advertising depicts a number of men and women in the midst of preparing for their sport, whether a jogger stretching or Michael Owen moments before leaving the changing room.

The message is simple - whatever your level or sport, preparation is key, and Lucozade Sport is an essential part of this. Lucozade Sport Hydro Active's advertising is different again. The iconic campaign features a female figure made of water running, flipping, diving and swimming.

The campaign uses leading edge technology to communicate how Hydro

## **Promotion**

- 17) What factors helped to make it a trusted successful family brand in the 1950s & 1960s?
- 18) Which athlete became associated with it in the 1980s? Why was his involvement so iconic?
- 19) How did the 2003 ad campaign differ from others?

20) List the main product's brand

Active has been specifically designed for exercise, offering more benefits than water alone.

# values e.g. confidence can-do attitude

### **Brand values**

Whilst Lucozade's image may have changed since 1927, Lucozade has remained a trusted brand that people have relied on for times when they need energy. Constantly testing and developing new ways to help people with their energy and performance needs, Lucozade is an innovator within its field and aims to continue to be so.

Lucozade is a bold and dynamic brand, with an independence of spirit, a 'can-do' attitude and a 'never-say-die' approach to life, which is coupled with its rich heritage in health, and convalescence. As a result, consumers have a warmth of feeling for the brand not typically associated with the energy drink category.

Ultimately consumers talk about the Lucozade 'magic': an indefinable quality that sums up Lucozade's taste, thickness and its ability to deliver energy when you need it.

For Lucozade Sport, the values are closer to those of a real sportsman. The brand is gutsy and committed and truly savvy, offering real performance benefits. Magic doesn't work with sports participants: they want to know what Lucozade Sport will actually do for their performance on the field.

Lucozade Sport Hydro Active takes a slant on the Lucozade Sport values but with more focus on exercise benefits rather than sporting performance. Exercisers or those with active lifestyles, want a brand that is spirited and alive and in line with their perspective on exercise - that it is a means to feeling and looking great and a key part of an active lifestyle. Hydro Active is a forward-thinking brand, meeting the expectation and values of its target audience.

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## ON A SEPARATE SHEET

- A) Write down the 5 most important points to take away from this article
- B) 'A product basically remains the same; only the image changes' How true is this for the Lucozade brand?
- C) How does the marketing and promotion of Lucozade reflect changing lifestyles and social trends?
- D) Explain the success of Lucozade's media marketing over the years.
- E) Find 3 examples of Lucozade's print adverts from across the years and show how they present a changing image of the brand.

F Look at Lucozade's online 'I believe' ad campaigns – how do they present the brand? What does they tell us about changing audiences and social trends?

G What can advertising tell us about society?

NOW WRITE UP THIS CASE STUDY – FULL SENTENCES – ALL 20 QUESTIONS + A-G