

# FROM RIO TO THE REST OF THE WORLD

## *The global impact of innovative research for Gatorade*

**G**atorade is an example of a global PepsiCo brand that is generating innovation in marketing and, as a result, research innovation in the emerging markets of Latin America.

What we are learning here about investment in experiential channels and using online and mobile research is becoming best practice that can spread to other markets and continents.

Economic growth in Latin America (the IMF forecasts 3.7% in 2012 and 4.1% in 2013) means that clients are moving research budgets into the region, and research hubs are moving from Miami to São Paulo. Increased research budgets are needed to understand the emerging middle class and the opportunities it brings. Over 7,000 new products were introduced into Brazil in 2009, and research is needed to help them succeed.

10.2% of all web users are Latin American, and Brazil has the second-largest number of Facebook users in the world. Brazil reached 100% mobile penetration in 2010 and became the fifth-largest mobile market in the world. Many people assume that it is impossible to reach the lower socio-demographic classes online. In fact, the internet is a vital informational and decision-making tool in many poorer Brazilians' lives, and they will not hesitate to travel to internet cafes to access it.

### **PERSONAL VIEWS**

The role of brands is changing. People in emerging markets are becoming more brand aware instead of product and price focussed. Vasco Luce, business unit general manager, Latin America Beverages South at PepsiCo, articulates the challenge for research as follows: "As people choose brands with which they identify, rather than for reasons of heritage and tradition, it is difficult to ask questions and get an accurate picture. Research needs to observe people's behaviour and interpret

meaning from this."

Local brands like Havaianas, which sold 163 million flip-flops in 2009, are becoming global brands. Luciana Brasil of Casa das Três comments that "people in Brazil like the values that Havaianas exports around the world. It isn't the stereotype of crime and sex. Havaianas communicates the easy-going, fun-loving, happy side of Brazilian culture."

Global companies like Unilever are looking to imbue some of their global brands like Solero (Fruttare in Brazil) with Brazilian values. Candice Pomi, regional consumer insight director for refreshment Latam and Global for Fruttare/Solero/Ades, explained, "We wanted to communicate optimism, perseverance, flexibility, sunny days, exuberance - to take the Brazilian soul to the world. We needed to change our communication agency to one in Brazil, but we struggled to find a Brazilian research agency with the credibility to deliver findings that would be accepted and used globally."

In spite of much progress, there is still ample opportunity for research innovation. Most Brazilian market research agencies and clients are very conservative.

### **THE GATORADE CASE STUDY**

Gatorade is a global brand which is particularly strong in Latin America. In late 2011, the Gatorade G-Series was launched in Mexico, re-positioning the brand from a general sports drink to a specialist sports nutrition product. This taps into the growing sophistication of Latin American consumers and their relationships to brands.

There had been plenty of research done around the messaging for the global re-positioning, but the decision to invest around sports-related touchpoints, such as parks and gyms, was based on little more than good old-fashioned gut feel. How could Gatorade determine if this channel investment strategy was working?



Real-time experience tracking captures every experience that a person has with the brands in a study through participants' own mobile phones. Research participants text a four-character code to tell us the brand, the touchpoint, how it made them feel, and how likely it made them to choose the brand next time. This meant that we could pick up the experiential touchpoints (as well as the traditional ones like TV) and see people's immediate response to them.

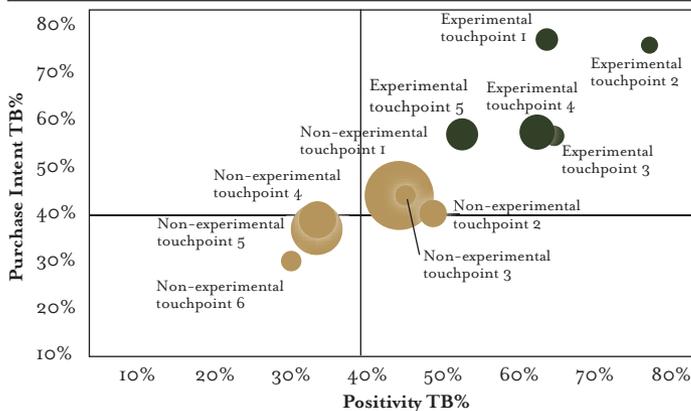
We recruited 400 participants, 200 for each of Gatorade's tightly defined target segments, and we benchmarked Gatorade against Powerade, Bonafont (bottled water) and Nike (in relation to sports).

Participants took part in an online survey to understand their perceptions about Gatorade and its competitors, then texted for a week about their experiences. At the end of the week they answered some of the same questions about brand perception so that we could see what had changed.

## WHAT WE FOUND

Not only was Gatorade dominating experiential touchpoints versus competitors, but the spontaneous reaction to these was extremely positive (see Figure 1).

**FIGURE 1: QUALITY OF EXPERIENCES**



Statistical analysis revealed that having one of these experiential touchpoints significantly impacted on the educational image statements that Gatorade was looking to shift. In fact, although TV was successful in shifting consideration of Gatorade, we saw that we would only need to reach half as many people through experiential touchpoints as through TV to have the same effect on these key image statements.

In drilling down to see responses amongst our two segments, we noticed a fascinating difference in their reactions to touchpoints in gyms and fitness centres. Segment 1 found these experiences much more engaging and persuasive than Segment 2. Through qualitative analysis of comments, we saw that Segment 1 received social affirmation from seeing other people drinking the product in these environments.

The Mexico team had wondered whether showing sports people in the Gatorade TV advertising and sponsorship was too big a leap from being able to identify with them from a personal point of view. It turns out this was not the case.

"I saw a Gatorade ad during the Pan-American games. I like this brand and when seeing that the athletes consume it to rehydrate, it encourages me to drink it." Gatorade, TV, public event, very positive, much more likely to choose.

Overall, the Gatorade G-Series launch activity in Mexico was extremely well received, but what could we improve?

When we looked at the cost efficiency of the Powerade TV activity compared to the Gatorade TV activity, we saw an opportunity to re-deploy some of the TV media money into the experiential touchpoints that were performing so strongly.

There were three versions of the G-Series: Prime, Perform and Recover. The response to communication about Prime lagged behind the other two, because people could not understand why they needed to rehydrate before exercise. We recommended reducing communication about Perform and increasing the focus on educating about Prime.

The study also unearthed opportunities to improve the Gatorade website, engage in store, and utilise outdoor closer to the moment of need.

## IMPLICATIONS

The Mexico team immediately took action based on these findings, and media spend was transferred from TV to the experiential touchpoints at the beginning of 2012.

The success of this has encouraged PepsiCo to roll out this marketing strategy to the Gatorade G-Series Brazil launch, and it is being looked at for other parts of the world.

So just like Solero and Havaianas, innovations in Brazil are being exported to the rest of the world.

It's an exciting time for emerging markets like these in Latin America. The optimism and sense of energy is apparent compared to the gloomy mood in developed markets. There are technical, cultural and cost challenges for researchers in these countries, but there are new problems requiring research solutions, and that should make them highly attractive to those companies willing to invest the time and energy. **RW**



**Ana Alvarez** is consumer strategy and insights director at PepsiCo Latam, Brazil and **Fiona Blades** is chief experience officer at MESH Planning.