

2.3: In the Spotlight

Since its launch in 1967, Gatorade has been a power player in the sports drink beverage category. Gatorade dominates the US sports drink market, garnering 67.7% of the market, followed distantly by the Coca-Cola Company's Powerade and BODYARMOR brands at 13.7% and 9.3%, respectively (Arthur, 2021). That Gatorade has maintained such a large market share demonstrates parent company PepsiCo's understanding of the marketing mix (i.e., product, price, place, and promotion), how to integrate these elements for its target market, and how to adapt its marketing mix continually to meet changing consumer demands.

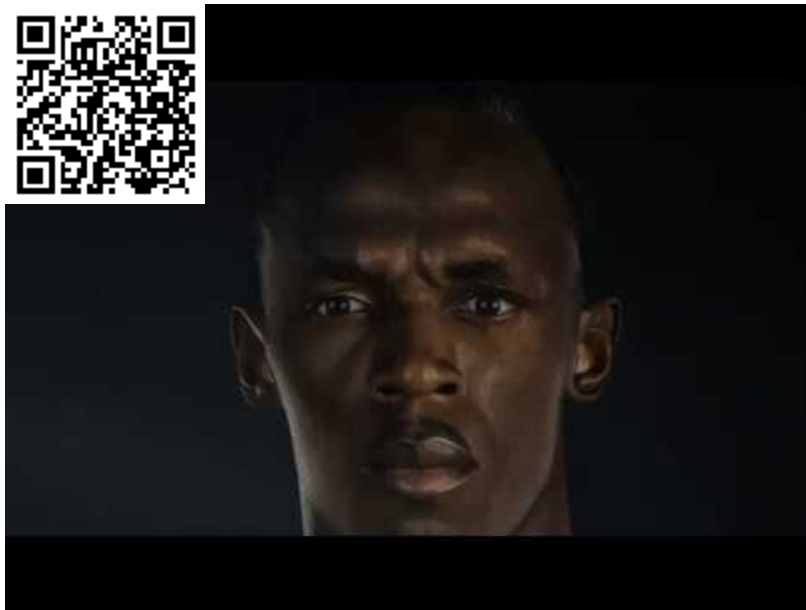


Figure 2.3.1: Gatorade remains a market-leading product due to parent company Pepsi's success with the marketing mix—product, price, place, and promotion. (credit: modification of work "Gatorade" by JeepersMedia/flickr, CC BY 2.0)

First, let's consider its approach to the product itself. Gatorade managers saw the exercise boom coming as baby boomers began to age and wanted to be the performance and thirst quencher for everyone from kids to pros. The product, which was intended to replace electrolytes lost in sweat, was scientifically formulated first at the University of Florida and later at the Gatorade Sports Science Institute. But Gatorade didn't rest on its laurels when it came to product innovation. For example, to lure back "lapsed" consumers with concerns over sugar, it launched Gatorade Zero, a thirst quencher without sugar. It also launched its G Series Performance, a new line of food and beverage products designed to provide fuel, fluid, and nutrients before, during, and after activity (Arthur, 2021).

In terms of pricing, Gatorade originally priced its product using a premium strategy because the product was unique. However, to retain its lead, the company subsequently adopted competitive pricing policies when competitors entered the market (Rovell, 2006).

Gatorade has continued to pump marketing dollars into advertising campaigns. For example, in 2020, it launched an iconic advertising campaign featuring some of the world's "greatest of all time (GOAT) athletes"—the NBA's Michael Jordan, tennis star Serena Williams, soccer legend Lionel Messi, and track star Usain Bolt. In the commercial, the sports stars appear at a mythical setting called "GOAT Camp," where student-athletes (considered "future GOATS") can train with these stars (Heath, 2020). Check out the GOAT camp commercial below:



In 2020, Gatorade launched an impactful digital strategy. When NBA games were canceled because of the pandemic, ESPN aired a 10-part documentary, “The Last Dance,” about Michael Jordan’s last year with the Chicago Bulls. Because Gatorade wasn’t an official sponsor, it partnered with the NBA to stream 1998’s Game 6 featuring the Jazz versus the Bulls in what would be superstar Jordan’s last game with the Bulls. Gatorade sponsored a “watch party” keyed to the hashtag #Game6Live (X, 2022). Review [Gatorade’s strategy on Twitter’s Marketing website](#), which outlines campaign results, opportunity, and steps taken.

Gatorade is an example of how one company built market dominance by creating the optimal integration of its marketing mix—product, price, place, and promotion—throughout a product’s life cycle.

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