

CLUB ENERGISE SPORT

Fuelling the Passion

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INTRODUCTION

Club Energise Sport is the marketing success story of the year. In its inaugural year, it outperformed the market, outperformed its international competitors and impressively exceeded every measurable target. Club Energise Sport has:

- Used advertising to leverage a ground breaking sponsorship arrangement that connects with the core target audience (male 18-24)
- Catapulted the brand to the number 2 position in the sports drink category.
- Has stolen 14% market share directly from Lucozade and 6% from Powerade - its two key international competitors (evident in figure 2)
- Has been growing market share (volume) at a rate of 151% since its first advertising burst (See figure 3).
- 12 months ago Club Energise Sport had 0% market share of the sports drink market. As of July 2004, Club Energise Sport owns 18.6% of the €37million sports category (AC Nielsen JJ04). This 18.6% volume share is valued at €6.9 million. This was achieved with an advertising spend of just 1 million Euro. The brand has shown a 7:1 rate of return on advertising investment to the brand owner.

Michael McArdle, Marketing Director of C&C (Ireland) Ltd. said "our ambitions for this brand are manifested in the scale and quality of the advertising. We have no doubt that it was the single most significant variable in the unqualified success of Club Energise Sport".

CONTEXT

The sports drink sector is the fastest growing category of the soft drinks market with a total category value of €37 million (AC Nielsen MAT JJ04). It has experienced extraordinary success with double-digit market growth of 21.6% (AC Nielsen MAT DJ04). In the summer of 2003, C&C (Ireland) Ltd., broadened its drinks portfolio by entering the sports drink category.

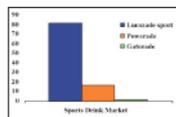


Figure 1: Lucozade dominated the sports drink market at 81% market share June/July 2003 (AC Nielsen JJ03)

THE CATEGORY

As is evident in Figure 1, the sports drink category in Ireland is dominated by international brands. In particular, the market leader in the category, Lucozade had been performing in a league of its own, dominating 81% of the market. (AC Nielsen JJ03). Having pioneered the 'science' of sports drinks in numerous campaigns over the past decade, the credibility Lucozade had earned and the brand loyalty it had engendered over the years rendered the marketplace a far from level playing field. We knew from the outset, the launch of Club EnergiseSport would be a 'David versus Goliath' scenario.

THE PRODUCT

The product, Club Energise Sport was formulated by the C&C (Ireland) Ltd. New Product Development team, an international ingredient company and Dr. Liam Hennessy. It is an isotonic sports fuel that provides the body with essential re-hydration. The product offering was strong, however the task it was charged with, taking on an international market leader, was at best a very difficult one.

VISION

The specific goals set out were:

- Meet sales target of 3.3 million bottles in year 1
- Gain 8% share of market place in year 1
- Have strong ad recall with target market (in excess of 50% ad recall)
- Have strong brand consideration levels with consumers, the benchmark of long-term growth.

When launching the brand, we knew that to seriously take on Lucozade, we needed our communication to be highly differentiated and motivating to the core target. Lucozade Sport has been synonymous with energy for decades in Ireland and also with the 'science' of sports energy since the launch of Lucozade Sport.

Our ultimate long-term goal is for Club Energise Sport to be the number 1 sports drink in Ireland.

SPORT SPONSORSHIP CONVENTIONS

Traditional sponsorship deals have been struck by all major players with the top soccer, rugby and athletics stars. Accepted wisdom in sports related communication is that the bigger the star is on an international stage, the better the endorsement. Think Tiger, think Jonah Lomu, think Beckham.

Although perhaps appropriate in the international arena, this missed a fundamental truth about Gaelic games. Gaelic games are not 'professional' sports, they are grass roots community sports, thus an 'off the- shelf' international type sponsorship arrangement would not work. The Gaelic games/Club Energise affiliation would have to be different.

DISRUPTION

Gaelic games – An unconventional sponsorship

Club Energise Sport, an indigenous Irish product was perfectly poised to enter a legitimate arrangement with our national sports. C&C (Ireland) Ltd. partnered with the GPA (Gaelic Players Association) in a ground-breaking affiliation. A percentage of each case of Club Energise Sport sold is to be contributed to the GPA to foster the future of the games at a club level.

The 'sponsorship deal' thus has grass-root games development at its core ensuring that Club Energise Sport is more than just a sponsor and is intrinsically linked to our national games from club to county level.

In developing the creative communication, we wanted to celebrate the grass roots nature of this sponsorship. Thus, the creative thought as follows...

" Fuelling the Passion"

As we were launching a new product, the message had to be simple. We needed to communicate the Gaelic games bond supported by the scientific credentials of the brand. We also wanted to build a brand message that connected with consumers, both to drive trial and engender loyalty.

The TV commercial's premier followed swiftly after the initial burst of outdoor activity. Knowing that our message of 'Fuelling the Passion' was connecting with our target audience, we wanted to further engender these loyal followers and

recruit more consumers to the brand.

The Club Energise Sport story captured the attention of the Irish public. An array of press publications printed stories or commented on the launch of the commercial. 'Breaking Ball', the leading Irish Gaelic games programme, ran a 15 minute piece on the 'Making of the Ad', which was aired on national television.

THE MEDIA PLAN

The media solution played an important role in connecting with the audience in the same way the games would. Outdoor was the key medium to deliver on this effect. It allowed for a number of key flexibilities to best leverage the power of the endorsement. Painstaking media buying was critical to communicating our message county by county. Thus we ensured that our national campaign was in effect a collection of local campaigns featuring local heroes.

This local/national media approach meant that:

1. Boundaries between counties were discernable by local heroes in their home county.
2. Inter-county matches allowed us to produce posters with the county team heroes 'facing off' against each other in the run-up to big matches.
3. Reflecting the success of the teams. The more successful the teams and the further they went in the Championship, the more we ramped up the local activity to support the momentum in the county.
4. The TV buying strategy was singleminded and focussed on high profile Gaelic games programming.

RESULTS

Club Energise Sport has surpassed expectations in terms of sales, in terms of market share and in terms of advertising effectiveness. It is already a year and a half ahead of its sales and market share targets. In fact, after 6 months of advertising activity, Club Energise Sport had already beaten the annual targets that had been set out by C&C (Ireland) Ltd.

MARKET SHARE

- Club Energise entered the category in August 2003 and immediately took a 6.7% share of the marketplace. This is worth €6.9 million in brand value and yielded a 7:1 return on advertising investment. (AC Nielsen JJ 04)
- Club Energise grew from 0% market share to 18.6% market share within 12 months. (AC Nielsen JJ 04)
- In this time, Lucozade decreased by 14% and Powerade decreased by 6% (AC Nielsen JJ 04)
- Within the first year of advertising activity, the Club Energise market share grew at a rate of 151%.



Figure 2: Market Share (Volume): Launch month (Aug 03) versus July 04 (AC Nielsen JJ04)

- This growth rate illustrates that the brand is outperforming the market, and is stealing market share from its competitors. The market share chart highlights the percentage change in share from the launch of Club Energise Sport to date (See Figure 2).

SALES

C&C (Ireland) Ltd. had a projected sales target of 3.3 million bottles in Year 1 (Aug 03 to Aug 04). Its actual sales have surpassed this target by 52%, selling 5 million bottles in its first year.

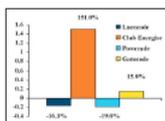


Figure 3: % Change in Market share (Vol) from Aug 03 to July 04 (AC Nielsen JJ04)

QUANTITATIVE RESULTS

Independent research conducted by Lansdowne Research tangibly demonstrates the cut-through and effectiveness of Club Energise's advertising. As detailed in Figure. 4, 58% of the population (and 74% of its core target of 18-24 males) could recall the Club Energise Sport advertising. Furthermore, the ad was favourably rated and successfully converted consumers to the brand.

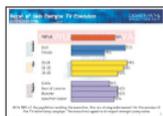


Figure 4: Recall of Club Energise TV

An important aspect of the advertising was that it was not seen to just be 'borrowing' personalities to leverage its position. On the contrary, the sponsorship was seen as an appropriate and popular fit for Club Energise (See Fig 5).

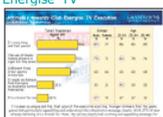


Figure 5: Attitudes towards Club Energise TV.

Another advertising objective during its early launch period was to win brand consideration and trial by consumers. Figure. 6 illustrates the successful accomplishment of this critical objective, especially with its core target (37%)



Figure 6: Will the advertising encourage trial and switching?

SUMMARY

Club Energise Sport has stormed into the Sports drink category claiming 18.6% market share (volume) from a zero percent starting point. This market share was stolen directly from strong international competitors (Lucozade Sport and Powerade). The effectiveness of the advertising is demonstrated by results, such as:

- The 7:1 return on advertising investment,
- Beating its sales targets by 55%,
- Having a 151% growth rate, while its global competitors continued to lose share.

The Lansdowne research results also illustrate the undeniable effectiveness of the advertising communication. Quite simply, 37% of the Club Energise Sport core target (18 to 25 year old males) identified the advertising as making them trial the brand. It was a David versus Goliath endeavour, and one, which surpassed every single metric put in place. This was achieved by a highly impactful television campaign, a unique sponsorship arrangement and a very innovative national/local outdoor campaign to galvanise local support for the brand.

