

Lucozade case study essay



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Introduction Advertising is attempting to influence the buying behaviour of customers and clients by providing a persuasive selling message of the products and services. Technically, advertising is only one way of promoting business and it has to be sure that whatever form of advertising is chosen; it has to fit the business marketing plan and marketing strategy. On the other hand, promotion includes all the ways available to make a product or service known to and purchased by customers and clients.

Promotion is communicating with the public in an attempt to influence them towards buying the products and services. Task 1 Researching the company website and other relevant websites as identified through search engines such as Google and writing a brief account on the development of LUCOZADE advertising and promotions campaigns with the marketing communication strategy. Lucozade is a brand of a series of energy and sports drinks.

It is now widely known as Lucozade energy, which contains glucose syrup and is produced by GlaxoSmithKline plc in Gloucestershire. It was first manufactured in 1927 by a Newcastle chemist, who experimented for several years to provide a source of energy for those who are sick. It became available throughout UK for use in hospitals. Now it has become the most popular energy drink in both UK and Ireland. Now I am going to demonstrate the developments of Lucozade advertising and promotions campaigns and its marketing communication strategy. . 1 Development of LUCOZADE advertising and promotions campaigns The Lucozade brand has a long history of bold advertising and promotion campaigns. It started publishing its advertising in the quality newspapers in around 1950s and 1960s,

communicating the benefits Lucozade offered during recovery from cold and flu. With several flu epidemics during the two decades Lucozade established itself as a trusted household name. In 1980s, Lucozade advertising really came into its own with the famous and innovative Daley Thompson campaign.

As the Olympic gold medal winner, Daley was an ideal picture of someone who needed seemingly limitless amounts of energy in order to perform and the campaign along with its magnificent Iron Maiden soundtrack is still remembered today (CIM, 2008). Since then Lucozade Energy has used a number of iconic figures in advertising, including Olympic 100m Sprint gold medal winner Linford Christie and, most recently, ‘Tomb Raider’ heroine Lara Croft (Animal Logic, 2006). 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’ (Business2000, 2007) The 2005 campaign continues this tradition, with the new TV execution featuring Liverpool and England midfielder Steven Gerrard.

This campaign builds on the 2004 communications platform – and sporting truth – of the importance of preparation, demonstrating how Gerrard drinks

Lucozade Sport to fuel his performance on the pitch. It continues to strengthen the importance of fuelling up with Lucozade Sport through the retention of the 'Are you ready?' end line (Lucozade website, 2008). In addition, Lucozade has been very successful in their sponsorship campaign as well. Its sponsorship of the World Rally Championship (WRC) includes the use of the WRC in a Lucozade Energy consumer promotion (Aerodeon, 2006).

Lucozade sports is now the official drink of the national coaching and training College, Ireland's organization for top athletes, Irish Basketball association, Professional Golfers' Association, the Irish Football Union and the Dublin City Marathon which represents the credibility in supporting sports performance and its status as Ireland's leading sports drink. With creative and innovative idea, Lucozade started to give promotional offers to their customers. Like, during the Lions tour in Australia between Britain and Ireland, Lucozade offered a chance to win a trip to Australia on-pack promotional bottles.

On the bottles there was the tagline 'Catch the Lions in Oz'. They also managed the shops and the supermarkets to support them by signage or point of sale materials designed to attract the customers. They also developed their advertising and promotions campaigns by distributing free samples of their products and highly visible street merchandising. Though, Lucozade have had long and painful as well as less significant years in its life but it is now one of the popular drink in the UK and also the largest selling energy drink in both UK and Ireland. This is how Lucozade have dramatically developed in its advertising and promotions campaigns. . 2 Marketing communication Strategy behind Lucozade success Marketing Communication is an organizational function and a set of process for creating,

communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Maignan, 2005). Marketing communication is all about delivering the benefits of the products to the customers in order to generate sales and profits. In Business, total marketing communication programme is called 'Communication/Promotional Mix' which consists of the following elements:- * Advertising * Personal selling Sales Promotion * Public relations * Direct marketing * Internet and online selling The marketing communication mix for Lucozade is complex, but it is largely centred on its marketing communication strategy which mainly focuses on the following two major sectors- * Rational communication means to communicate the brand benefits to the customers and * Emotional communication means to sponsor popular well known heroes to support the brand This strategy is mainly built on identifying 'brand touchpoints' where they look for different occasions and opportunities to connect directly with target consumers.

This brand touchpoint came out from market segmentation which means to divide the market into groups of consumers who share certain needs and can be differentiated from others. In competitive consumer markets, they always maintain consistency in delivering their message for their different product. Like, in case of Lucozade Sports their message is 'Lucozade Sport keeps all athletes going 33% longer'. In order to communicate their message, they follow the concept 360 marketing which is also known as integrated marketing communications. This means that marketers use as many channels as possible to communicate with consumers.

However, their main methods or channels of communication include TV, radio, online selling and printing advertising, outdoor advertising including on-pitch signage and bottles on the pitch; sales promotion in shops or on pack and public relations. Task 2 2. Comparing and contrasting the advertising and promotions campaigns of Lucozade with that of Redbull Marketing Communications are messages which are related in using media to communicate with a market. This involves practising advertising, branding, direct marketing, promotions, publicity and online marketing.

Marketing Communications are best carried out by implementing an advertising and promotion plan. Different companies have their own campaigning strategy which they follow to create their brand awareness among the potential and current customers. In this task, I am going to compare and contrast the different advertising and promotions campaign strategies of ‘Lucozade’ with that of ‘Redbull’. Redbull is another one of the popular energy drink in UK and other countries of the world. It is sold in the market by Redbull GmbH. Redbull also has been very successful in their marketing strategies. . 1 Advertising Lucozade is an energy drink for athletes; their advertising campaigns always focus on the same message, ‘Lucozade Sport keeps top athletes going 33% longer’ (360 marketing, 2007). Through a number of TV campaigns where GSK has cast a variety of sports stars including Damien Daff, Ronan O’Gara, Cora Staunton etc showing that top performances take great commitment, preparation and teamwork. The marketing campaigns also carried through with billboards and print ads where again key stars are featured and the message ‘Hunger has a Thirst’ was highlighted.

But in case of Redbull, they completely follow an aggressive advertising strategy. Instead of running expensive ads in magazines, newspapers and televisions; Redbull stages thrilling sports events where there are no spectators. They also do TV advertising but they do not cast any renowned sports person to promote their product. Instead they focus around an animated bull character. In one of their ad, an energized bull is shown leaping over a city. Unlike Lucozade they also keep their message constant which is 'Redbull gives you wings'. 2. Personal Selling Lucozade sports don't have any personal selling strategy like they do not have any shops and salesman to publicise their product in the market. Instead, they give supply to the retailers to sell their product to the consumers like other brands, e. g. Coca cola, Pepsi etc. In this case, Redbull also don't do anything surprising. Rather than doing personal selling, they distribute their product everywhere across the country to convenient stores, drug stores, gas stations, grocery stores and college campuses. 2. 3 Sales Promotion

Lucozade give promotional offers by designing very attractive point-of-sale materials in the shops and supermarkets. They also offer consumers many competitions and prizes. With an on-pack promotion they offered to win a trip for two to Australia to see the Lions in action during the British & Irish Lions Tour in 2001. Special promotional bottles were also produced featuring the tagline 'Catch the Lions in Oz' as they were the official sponsor for the rugby tour (Business2000, 2007). But rather than giving promotional offers with their product like Lucozade, Redbull focuses on giving their product for free sampling.

They give these samples in the night clubs, university campuses, gyms, health-food stores, supermarkets etc. They also give promotional gifts. For example, when the hot clubs and trendy bar owners begin buying a few cases of the drink; they receive a Redbull branded cooler and other POP items.

2. 4 Public relations Lucozade maintain a great relation with the public in order to create publicity for their brand. By sponsoring many sports teams and players including athletes, they create brand awareness among all their customers.

For example, they sponsor England and Irish football team, Rugby team, Ireland's organization for top athletes, Irish Basketball association etc. In case of Redbull the only difference is that, they also sponsor sports to attract the enthusiastic customers but they mainly focus on non-mainstream sports such as motor racing, skating, surfing, mountaineering, skiing, flying, cliff diving, BMX etc.

2. 5 Direct Marketing Lucozade Sports direct marketing strategy is built on “ brand touch points” with customers where they look for the occasions and opportunities to connect directly with their targeted consumers.

In the pre-marathon event ‘ 2008 Flora London Marathon’ on 9-12 April at Excel in London's Dockland, there was a vast range of Lucozade products and services were available for runners and non runners as well (Running Support, 2008). But Redbull not only look for such occasions or opportunities but they also run their own special events linked to sporting activities. For example, the DHX in-line skating competition held annually in February down Kloof Nek in Cape Town and The Redbull Flag tag etc.

2. 6 Internet and

online marketing Lucozade sport is very much popular for its online shopping and marketing.

Through The LSSA site, Lucozade sports increased its sales by 300% year-on-year in 2007. The online shop sells high performance nutrition and hydration products for serious sport participants. Even the brand is involved with website a2zsoccer.com which is Ireland's soccer community online (Lucozade website, 2007). In this case, Redbull not only have their official website which is redbull.com, they have many individual websites relating to different sports. Like redbullsurfing, redbullracing, etc. The Bull's Eye web magazine offers upcoming event listing and Redbull news updates.

As per the discussion above and according to my opinion, to maintain an attractive marketing strategy; Redbull is much more successful than Lucozade. Both companies have their target market. But Lucozade attracts sports enthusiastic consumers where Redbull targets an active audience, specifically those between the ages of 17-23, male and female. Redbull targets these types of customers who are at the turning point of their lives where energy is a necessary component. Moreover, whatever Redbull do to publicity for their product are really eye catching, interesting and more attractive than Lucozade.

Task 3 3. Devising a new positioning statement for Lucozade and also developing a strategy plan for an advertising campaign in the light of the upcoming 2012 Olympic in London In the light of the recent development in the energy drinks market as well as the emerging trends such as 2012 Olympics in London where so many active participants will be driven to take

up sports and fitness and also sports will be watched by enormous audiences at the time of Olympics. So by this advertising campaign I am going to create awareness in the market and also keep informing about the new and existing products and incentives for Lucozade sports drinks. To carry out this task I am going to specify some sorts of vehicles by which I will be completing my advertising campaign which are as follows; * Marketing strategy *

Advertising objective * Advertising budget * Message strategy * Media strategy

3. 1 Marketing strategy: Any organisation which wants to exchange its products or services in the market place successfully should have a strategic marketing plan to guide the allocation of its resources.

So, I have a marketing strategy for Advertising campaign of Lucozade drinks. It provides impetus and direction for choice of both advertising and media strategies. It is based on situation basis- a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands. Here is the explanation of each step of the marketing strategy of Lucozade drinks which are as follows: * Opportunity analysis: It means to find out new alternative market opportunities for existing products in current or new markets, new products for current markets, or new products for new markets.

So, our opportunity is 2012 Olympic in London where active sports persons and non active sports persons will be present. * Competitive analysis: While developing Lucozade's marketing strategies for its, it is extremely important to analyse the competition which will be faced in the 2012 Olympic. This may range from direct brand competition to more indirect forms of competition, such as products substitutes from competitors e. g. Red Bull, Coca Cola, and

Pepsi etc. * Target market selection: After analyzing the opportunities and competitive we can select a target market.

The process by which marketers do this is referred to as target marketing which involves: identifying markets with unfulfilled needs, segmenting the market, targeting specific segments and positioning one's product or service through marketing strategies. As, Lucozade is basically sports energy drink so our target market will be active sports persons and who love the sports in the 2012 Olympic in London. 3. 2 Advertising objective: The objective of this advertising is to create brand awareness and provide the information about the Lucozade drinks because of the coming event of 2012 Olympic in London. 3. 3 Advertising budget: Budget is inevitable for any kind of campaigning. Without good budget advertising is not possible. So, our budget can be 200, 000 for spending on different kinds of advertising such as TV, radio, newspaper, internet, posturing on bus, underground etc. We can start our advertising campaign from 1st May, 2012 before the Olympic Games and we can finish 10th of August, 2012 after the Olympic Games.

While budgeting on advertising we can also follow the ATL and BTL techniques which are really helpful for budgeting. * ATL: Above the line is a type of advertising through media such as TV, cinema, radio, print, banners and search engines to promote brands. Major uses include television and radio advertising, web and Internet banner ads. These types of advertising are expensive. * BTL: Below the line sales promotions are short-term incentives. E. g. buy one get one free, discount, gifts with purchases etc largely aimed at consumers.

With the increasing pressure on the marketing team to achieve communication objectives more efficiently in a limited budget, there has been a need to find out more effective and cost efficient ways to communicate with the target markets. This has led to a shift from the regular media based advertising. Now-a-days Most of the big brands are following the suit of BTL techniques because of rising prices of media based promotion, advertising clutter and increased impulse purchasing. So we can use BTL techniques for advertising because of its cost effectiveness. 3.

Message strategy: It works like the sender encodes information into message by different mediums and channels and the receiver decodes the message into meaning and sends feedback to the sender. So, here sender is Lucozade Company while sending message on advertising to the recipient (target market of 2012 Olympic Games in London). It should be meaningful.

Meaningless message does not work properly. 3. 5 Media strategy: It plays a vital role in case of advertising consists of: * Selecting target audience *

Specifying media objective * Selecting media categories * Buying media 3. 5.

Target audience selection: Our target audiences will be those people who will

be directly participated with sports and indirectly involved with sports and

spectators as well at the time of 2012 Olympic in London. 3. 5. 2 Objective

specification: Our objective will be creating awareness among the target

audiences on Lucozade drink through advertising campaigns. 3. 5. 3 Media

vehicle selection: Media vehicle selection is the most important part in

advertising. Media that carries the ads to the target market which can be

traditional media or non traditional media which are as follows: * Traditional

media: TV, Radio, Newspaper, Internet etc. Non traditional media: ABC In

light, CNN airport network, Aisle vision etc. 3. 5. 4 Media buying: After

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selecting media we have to buy media/medias by which we will advertise our products. At that time we must have to consider the budget for advertising, the competitor's situation, availability, timing consideration, cost efficiency etc. For cost efficiency we can use CPM formula (cost per thousands). E. g. if we want to advertise our products in ' 100 meter race' in Olympic 2012, it will be expensive because that will be watched by thousands of people.

Which we can assume 15 pound cost to reach per thousand target members but if we advertise in other sorts of games such as; swimming, 1000 metre race etc it will be cost effective because those sports will be less viewed. We can assume around 13 pounds to reach per thousands of target market. A sample of the advertisement is given on the following page. SAMPLE ADVERTISEMENT Task 4 Identifying the current trend in advertising & promotion and evaluation of its impact along with the different marketing mix from brand of ' Fizzy drinks' with ' Banks'. 4. The current trend in advertising and promotions and evaluate their impact Marketing communication is an incredibly spotted, challenging, exciting and dynamic subject matter as well as the trend in advertising and promotions. Basically, it means the communication between a business and its customers. This communication can take place through traditional media such as newspapers, magazines, radio, television and billboards, but also through media such as computers, fax machines, cellular phones, papers and wireless appliances (Kotler et al, 2005). But this field is constantly changing.

New practices and new theoretical accounts are coming out continuously. The modern marketing is different from the traditional marketing perspective in several ways. For several years, a revolution in marketing communication

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has been developing that is dramatically altering this traditional view of advertising and communication media. According to my point of view, this revolution is Internet. The massive global network of interconnected packet-switched computer networks, which as new marketing medium has the potential to radically change the way firms do business with their customers (Hoffman & Novak, 1996).

Marketers use the Internet to gather marketing planning. The internet is now more than simply a marketplace for conducting transactions. It is by far the fastest growing communication medium (Turban et al, 2004). Today, internet as a marketing communication tool is something that businesses have to consider. It is the least expensive marketing communication tool as well as the most cost-effective. People from around the world can easily make a business relationship with a very little cost among any other marketing method.

The internet also offers marketers the ability to make available full-colour catalogues, provide on screen order form, online customer support, gather customer feedback etc. The web provides an efficient medium for advertising, marketing and even direct distribution of certain goods and information services. Like, IBM (1995) suggests that online catalogues on the internet can save firms up to 25% in processing costs and reduce cycle time by up to 62% (Hoffman & Novak, 1996). The internet can be used to vary the promotion element of the mix.

Its biggest marketing applications are in the area of promotion. Marketing communication is enhanced by electronic forums such as e-mails, bulletin

boards and the web. Net advertising is increasing, sales promotions such as coupons and free samples are plentiful and public relation tactics permeate most websites and many e-mail communication programmes. Well designed electronic distribution of information can match the effectiveness of personal selling. Internet has also given the opportunity to the companies to analyse communication strategies and marketing activities as well.

That is to say, the Internet and websites have become extremely important avenues for firms in many industries to interact with their customers. 4. 2

The different marketing mix from brand of Fizzy Drinks with Banks. Fizzy drinks companies and Banks both run completely different nature of business. Both provide different sort of products and services to their customers. But in case of marketing communication, both maintains a strategy to publicise their brand and inform the customers about its benefits. Even both are different sort of companies, but in case of advertising; they both do it in a similar way.

To communicate their message to the customers they use the same media such as TV, billboards, magazines, newspapers, internet, radio etc. For publicity both sponsor different kind of sports or sporting teams, events etc. For example, unlike Lucozade and Redbull energy Drink Company; Banks like Barclays and Lloyds TSB also sponsor many sports. Barclays have been sponsoring English Premier League for a long time. Now, Lloyds TSB is the official sponsor for the Olympic 2012 which is going to held in London. But in terms of personal selling banks are more involved than fizzy drinks.

Basically banking services mainly depends on building close relationship with the customers through personal dealings where fizzy drinks try to attract huge amount of people at a time by doing massive campaigning. Now-a-days most of the banks promote their customer to do internet banking and customers are also greatly influenced by internet banking but in case of fizzy drinks although they have internet marketing but it is not enormously related to the customers like banks. On the other hand, fizzy drinks and banks both give promotional offers to their consumers.

Barclays offers many different voucher codes, discount vouchers, motor insurance discount, promotional rates for different current and savings accounts while fizzy drinks offer buy one get one free, vouchers and coupons, free samples, discount prices etc. Moreover, in case of direct marketing banks get more implicated than fizzy drinks. Banks get involved in telemarketing, sending letters, e-mails etc. Most of the banks come to an end of dealings with customer on phone which is rare in fizzy drinks sector although they have telemarketing services.

Although, fizzy drinks and banks follow their own strategies for marketing; there are many similarities and also differences in their marketing mix elements. Conclusion As per the discussion above, I have described marketing mix with that of Lucozde campaigns. A planning and execution of an ad campaign has also been demonstrated. Integral promotional mix has been described briefly including the comparison between ATL and BTL techniques. References Book references: Chaffey, D. , Mayer, R. , Johnston, K. , and Ellis-Chadwick, F. (2003). Internet Marketing: Strategy, Implementation and Practice.

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