

Customer and
established itself as a
sports-performance



Customer relationship management refers to collecting customer data and strategies employed to recruit and retain satisfied customers (“Principles of Marketing, 2015”).

Gatorade does not treat their top tier customers differently than others. However, after Gatorade began flat-lining in 2007 due to market share, Gatorade compiled data from a CRM review that revealed 46% of sales were from athletes (Var, 2012). Given this data, Gatorade implemented a marketing strategy that marketed to strictly athletes, and established itself as a sports-performance beverage. They veered away from their broad marketing campaign, and focused on small niche programs that appealed to athletes, their most valuable customers (Var, 2012).

They successfully gained a competitive advantage in doing so, and were effectively able to hone in on their most passionate customer. With regards to privacy, Gatorade clearly states their terms and conditions on their website. This applies to customers who want to download their app, or sign up for an account.

Customer Relationship Management and Privacy Gatorade does very little to offer ways to provide feedback and reviews on their product that is available for the public to see. Social media pages seem to be the primary tool that they use for customers to provide feedback. (“Principles of Marketing”, 2015) asserts that asking detailed questions in a customer survey is an effective tool to measure customer satisfaction. They could encourage more customer feedback and provide surveys on preferred flavors, and what they may dislike about Gatorade. However, on their main website, they do provide

information for customers to postquestions and contact them (“ Gatorade”, 2017).

CustomerEmpowerment and Satisfaction Criteria Gatorade PowerAde BodyArmor Benefits 5 4 4 Price 4 3 2 Convenience 5 5 2 Although Gatorade is the marketleader in the sports drink industry, they have some competitors that offersimilar products. Two major competitors include PowerAde and BodyArmor sportsdrinks (“ Sports Drink Wars”, 2015). When customers are making their decision inchoosing a sports drink, they are looking at the specific benefits, price, andconvenience to meet their needs. The benefits of Gatorade outweigh the benefitsof its competitors. Gatorade has fewer calories and replaces lost sodium moreeffectively (Bryan, 2017). Also, even though the price fluctuates withdifferent promotions, Gatorade is typically cheaper and more accessible tocustomers. Gatorade ranks number one in the sports drink category with PowerAdefollowing closely behind. Gatorade should offer a value proposition in order todemonstrate that the benefits of their product are superior to its competitors(“ Principles of Marketing”, 2015).

CompetitiveAnalysisA SWOT analysis is a key componentin creating the foundation of a marketing strategy. It examines the strengths, weaknesses, opportunities, and threats of accompany in order to providecompetitive insight on positive and negative issues that impact the success ofthe company. Gatorade has numerous strengths that contribute to their successsince its inception.

This is largely due to their early entrance into the sports drink market. They have established a loyal customer base early on. This coupled with a strong brand name, and science to back up their products' claims to maximize hydration and physical performance, has given them a competitive edge over other sports drinks. People will have more confidence and satisfaction with this product after learning the benefits knowing that their products' claims are validated. However, one of their weaknesses is that some of their drinks contain high amounts of sugar. This could deter some customers from choosing this product since it could actually dehydrate them (Flaherty, et al., 2016).

An opportunity for Gatorade would be to introduce a new product such as a vitamin hydration drink. This would target the Vitamin Water customer base which is one of their competitors. Some potential threats include other sports drinks and a relatively slow market. To combat these threats, Gatorade should advertise more to inform customers specifically on the benefits of their performance enhancing drinks.

SWOT Analysis The mission statement of a company provides the purpose and why it exists ("Principles of Marketing", 2015). Gatorade's mission statement is "The Gatorade Company, a division of PepsiCo (NYSE: PEP), provides sports performance innovations designed to meet the needs of athletes at all competitive levels and across a broad range of sports. Backed by more than a 40-year history of studying the best athletes in the world and grounded in years of hydration and sports nutrition research at the Gatorade Sports Science Institute, Gatorade provides scientifically formulated products to meet the sports fueling needs of athletes in all phases of athletic activity" ("<https://assignbuster.com/customer-and-established-itself-as-a-sports-performance/>

Gatorade”, 2017). Since Gatorade is a strategic business unit owned by PepsiCo, Gatorade’s mission statement has a customer focus specific to its targeted audience, athletes. It is supported by value statements such as “designed to meet the needs of athletes”. Role of the Customer in the Company’s Strategic Plan According to the course content, marketing is comprised of four components that are centered on customer value. These four components are creating, communicating, delivering, and exchanging. These four components of marketing that are centered on customer value aim to create a profitable or positive exchange for customers (“Principles of Marketing”, 2015).

In regards to marketing, value is determined by the customer, and determines if the benefits received from a product meet their needs. Essentially, it is what a customer gets or receives from a company’s offerings (“Principles of Marketing”, 2015). It is important that marketers create a profitable exchange by creating offerings that have value to the customer. The customers of Gatorade are mainly comprised of high-school athletes, marathoners, and others who are involved in general sports.

They account for 46% of all sales (Feifer, 2012). Gatorade creates value for its customers by meeting their nutritional needs. Furthermore, they are delivering and exchanging a hydration product that leaves consumers (mainly athletes) satisfied that rehydrates, refuels, and replenishes lost electrolytes and carbohydrates during an event (Flaherty, Kelly, Najarian, Giannascoli, & Midlidge, 2016).