



THE MARKET

In its broadest sense, Gatorade competes in the beverage market. However the functionality and performance benefits of the product narrow this field to what the company refers to as the 'Active Thirst Market', the domain of Gatorade.

It has been estimated that approximately one in seven or 15% of beverages are bought to quench an 'active thirst'. That is, a thirst resulting from exercise, physical hard labour, sports etc. Gatorade has been scientifically formulated to quench an active thirst better than any other beverage due to the physiological changes which occur in the body following exercise. Once the human body becomes active it starts to sweat and becomes dehydrated resulting in an actual change in the human taste preference.

Research has proven that during these conditions, lightly flavoured and sweetened, non-carbonated drinks like Gatorade are actually preferred over full sugar carbonated beverages.

ACHIEVEMENTS

The sports drink market was created in 1965 when Gatorade was invented by scientists at The University of Florida, for the Florida 'Gators' football team. From such humble beginnings the brand has grown to become the world's leading sports drink.

The introduction of Gatorade helped change the fluid-replacement practices of athletes across the United States, around the world and in Australia.



Instead of discouraging fluid intake during training and competition, as had been the prevailing practice, coaches started to understand the necessity of consuming fluids during exercise to avoid dehydration, heat illness and early fatigue.

Built on a solid scientific platform, Gatorade prides itself on being the most thoroughly studied consumer food product on the market, in terms of human physiology research. When food company Quaker Oats acquired Gatorade in 1983, they founded the Gatorade Exercise Physiology Laboratory, which employs seven scientists full time, and instigated the Gatorade Sports Science Institute (GSSI), a research entity dedicated to enhancing and sustaining human performance and health through nutrition.

The GSSI and Gatorade Sports Science Exchange (GSSE) are world-renowned resources among coaches, trainers and nutritionists. It's this dedication to sports science research and product performance, that can't be matched and is why Gatorade is used by so many of the world's top athletes.

HISTORY

In the early 1960's, the University of Florida research team began development of a drink that would rapidly replace body fluids and help prevent the severe dehydration caused by hot weather and physical exertion. Under the direction of Dr Robert Cade, the group began testing a formula

on 10 members of the University of Florida football team whose members were experiencing significant fluid loss during practice and games.

The drink's formulation of carbohydrates and electrolytes was based upon the latest scientific research and the supposition that "Gator" athletes could benefit by replacing the fluid, energy and electrolytes lost during exercise. This test beverage became known as "Gatorade".

That season, the Gators enjoyed a winning record and became known as the "second half team" by outplaying their opponents during the final half of the game. The team's coach recognised the advantages of having his players drink Gatorade, noticing that they had fewer problems with dehydration and showed greater endurance. In fact, on January 1, 1967, when the Gators beat Georgia Tech in the Orange Bowl, Georgia Tech head coach Bobby Dodd told Sports Illustrated magazine that the reason for his team's loss was that, "We didn't have Gatorade. That made the difference."

The story has become legend and the drink became Gatorade.

THE PRODUCT

Gatorade is the No.1 selling sports drink brand in the world. The product is made by The Gatorade Company, a wholly owned subsidiary of the US food manufacturer, The Quaker Oats Company. From the inception of the product, science has



been used to ensure that no other beverage replaces lost fluids, energy and electrolytes faster than Gatorade. Gatorade pioneered the 6% carbohydrate solution, which is now used by other isotonic sports drinks. It has the optimal level to ensure the fastest possible absorption. In fact no other beverage speeds fluids, minerals and energy to the body faster than Gatorade.

Gatorade is formulated on the premise that if an ingredient doesn't improve performance or re-hydration, then it has no place in Gatorade.

Gatorade is not carbonated, as carbonation can cause gastro-intestinal distress and it does not contain preservatives, which can cause 'throat burn'. Gatorade is hot filled in PET bottles, with a wide mouth to allow gulping. Gatorade is also formulated with a light sweetness and flavour profile to accommodate taste preference changes that occur with exercise.

RECENT DEVELOPMENTS

One of the most successful new marketing initiatives undertaken by Gatorade in Australia was the launch in summer 1998, of an exciting new campaign, which documented the legendary beginnings of the drink. Known as, 'What Legends Are Made Of', the campaign was spearheaded by a unique two and a half minute documentary style television commercial, which told the story of how Gatorade was originally created in 1967. Using original footage from the game together with interviews from the key people involved, the commercial has been overwhelmingly successful in establishing the scientific heritage of the brand.

PROMOTION

In 1993 when Gatorade was launched in Australia it was supported by one of the most memorable TV campaigns of all time, "Be Like Mike". The catchy jingle and inspirational images of Jordan, helped to catapult the brand to clear market leadership within 4 weeks following launch. Indeed the endorsement of Gatorade by Michael Jordan,

the world's highest profile and best loved athlete, has taken the brand to new heights and ensured immediate high level awareness for the brand following each new market entry.

The phrase 'scientifically developed, athletically proven', is true of Gatorade and is why the brand's distinctive orange cooler bins and green cups can be seen on the sidelines of the world's top sports teams and competitions.

In the United States, Gatorade is used by athletes competing in the National Football League, National Basketball League, Major Baseball League, PGA, NASCAR, New York and Boston Marathons and many more.

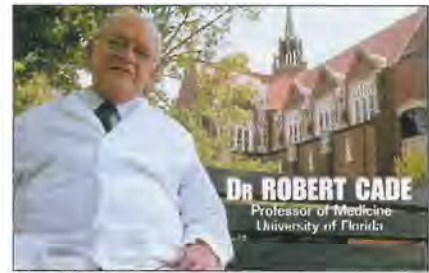
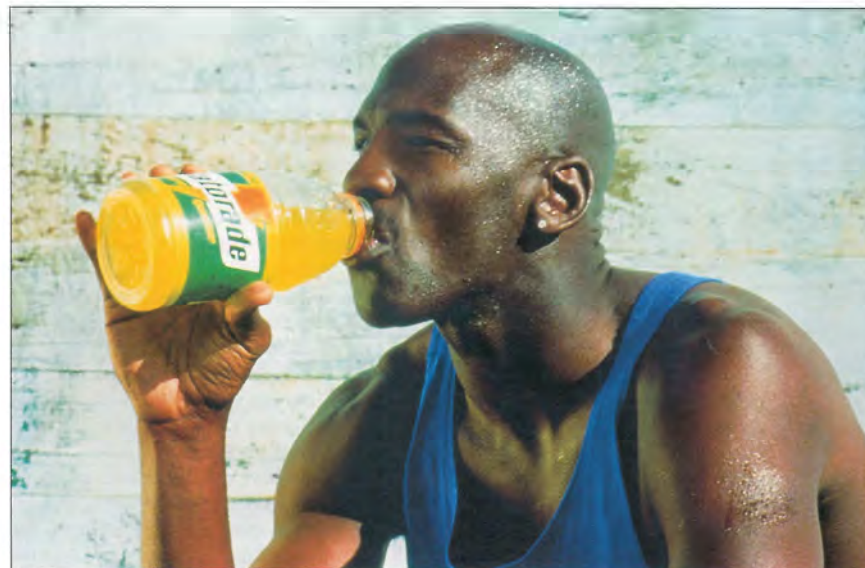
In Australia many top sporting teams and com-



petitions have also adopted Gatorade as their official sports drink including the National Rugby League and Australian Rugby Union, and the nation's top triathletes and endurance runners.

BRAND VALUES

When Gatorade was first developed in the 1960s at The University of Florida, the researchers relied upon the latest discoveries in medical science to guide the formulation of this unique beverage. This commitment to scientific research has continued to be a hallmark of Gatorade. Gatorade scientists are constantly looking for new ways to make Gatorade an even more effective fluid, en-



ergy and electrolyte replacement beverage.

This ongoing research is often conducted in cooperation with some of the top sports scientists in the world to make certain that the Gatorade formula remains optimal. In Australia, Gatorade works closely with the country's leading sports doctors and dietitians and is a founding sponsor of SDA, the Sports Dietitians Australia group. Together with SDA, Gatorade Australia has been instrumental in developing guidelines for fluid replacement in sport, for coaches and athletes alike.

Expertise in sports nutrition is one of the unique and distinguishing attributes of The Gatorade Company and indeed the Gatorade brand.

This massive research effort is the reason Gatorade's formulation has never been bettered and why so many top athletes and sporting organisations trust only Gatorade to provide that per-

formance edge.

THINGS YOU DIDN'T KNOW ABOUT GATORADE

- The name Gatorade derives from the Gators but it was originally called Cade's Cola or Cade's Ade. When Quaker Oats acquired the brand in 1985 they wanted to call it 'Quinch', but market research revealed that people already knew the drink as Gatorade and so the name remained.
- During the famous '67 Orange Bowl match, Gators player Larry Smith ran an amazing 94 yards, with his pants falling down, to make a touchdown that won the game. He crossed the line with the ball in one hand and his pants in the other. After the game his mother was heard to say, "Gee coach, can't you get my boy some pants that fit". Larry Smith's touchdown is still a record today.
- In terms of human physiology research, Gatorade is the most thoroughly studied consumer food product on the market.
- Gatorade was the first non-automotive related consumer product to sponsor a car in the US NASCAR series back in 1977. The car was named Bertha and was considered very unlucky because it was painted green.