The thirst for Gatorade is unquenchable. This brand powerhouse has posted yearly sales gains over four decades and commands 85 percent of the sports beverage market in the United States.

Like Kleenex in the tissue market and Jello among gelatin desserts, Gatorade has become synonymous with sports beverages. Concocted in 1965 at the University of Florida as a rehydration beverage for the school's football team, the drink was coined “Gatorade” by an opposing team's coach after watching his team lose to the Florida Gators in the Orange Bowl. The name stuck, and a new beverage product class was born.

Stokely–Van Camp Inc. made a deal for the Gatorade formula in 1967 and commercialized the product. The original Gatorade was a liquid with a lemon-lime flavor. An orange flavor was introduced in 1971 and a fruit punch flavor in 1983. Instant Gatorade was launched in 1979. The Quaker Oats Company purchased Stokely–Van Camp in 1983, and Quaker Oats executives quickly grew sales through a variety of means. More flavors were added and multiple package sizes were offered using different containers—glass and plastic bottles and aluminum cans. Regional distribution expanded first including new distribution in convenience stores and supermarkets, followed by vending machines and fountain service. Consistent advertising and promotion effectively conveyed the product’s unique benefits and links to athletic competition using popular athletes such as Michael Jordan and Mia Hamm as spokespersons. International opportunities were vigorously pursued. Today, Gatorade is sold in 78 countries in North America, Europe, Latin America, the Middle East, Africa, and Australasia and has become a global brand.

Brand development has been a key factor in Gatorade’s success. Quaker Oats introduced Gatorade Frost in 1997, with a “lighter, crisper,” taste aimed at expanding the brand’s reach beyond participants in organized sports to other usage occasions. Gatorade Fierce with a “bolder” taste was launched in 1999. In the same year, Gatorade entered the bottled-water
category with Propel Fitness Water, a lightly flavored water fortified with vitamins. In 2001, the Gatorade Performance Series was introduced, featuring the Gatorade Energy Bar, Gatorade Energy Drink, and Gatorade Nutritional Shake. Brand development continued after PepsiCo, Inc., purchased Quaker Oats and the Gatorade brand in 2001. Gatorade All Stars, specifically designed for teens, and Gatorade Xtremo, developed for Latino consumers with an exotic blend of flavors and a bilingual label, were introduced in 2002. Gatorade X-Factor, with three unique flavors of its own, followed in 2003, bringing the total number of Gatorade flavors to 30. Today, some 40 years after its creation, Gatorade remains a multimillion dollar growth brand with seemingly unlimited potential.

Companies can learn from this example. The marketing of Gatorade illustrates effective product and brand management in a dynamic marketplace.

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