

ENERGY DRINKS

Beyond the last thrill

is a great time of year for energy drinks. Until recently, frantic students needed help staying awake to study. Now seasonal parties, post-matric student getaways and long-distance holiday drives all have people reaching for the legal elixir.

to stay in demand all year long, however, energy drinks brands must become more innovative in their content and marketing, says Gareth Pearson, CEO of market research company BMI.

Dozens of brands have come and gone in SA over the years. Most of the casualties have suffered from lack of product

WHAT IT TAKES

TO GETTING

MARKETING MESSAGE IS ABOUT

ever drinks company, while it is distributed through the Coca-Cola network.

the overcrowded market also means brands must continuously find new ways to remain profitable. That means more

coming up with outrageous names like Monster, Die Hard, and Sex Drive. "Brand owners will have to spend more

research and development, constantly innovate, to remain ahead of the pack," says Pearson.

"Sustaining customer interest and loyalty is difficult for manufacturers can no longer do the same old thing, same old way."

that old way used to be the standard eight-ounce can, as

back-up. It's not enough to put your product on a shelf and hope consumers will buy it.

"You need a lot of money for promotion," says Pearson. And good distribution. Market leader Red Bull has an agreement with the



Energy drinks Need good promotion

first to challenge the norm was Monster with its 32 oz BFC (short for "big f---ing can"). Value, in the form of bigger packs, has become an important part of the marketing message. Pearson says: "Buying bulk is becoming an effective way for consumers to save."

New flavours are also emerging and some brands have mixed their product with alcohol. If government, as expected, pushes ahead with plans to ban alcohol advertising, more liquor brands may see this as a way to maintain a marketing presence. Pearson observes: "A Castle lager energy drink might be an

interesting idea." But he adds that he is aware of no plans for such a product.

"Energy drink manufacturers need to think outside the box if they're going to grow their market share," he says. "Clever packaging, labelling, branding and improved ingredients will hold the key."

So will clever marketing. The industry tends to associate itself with excitement and daredevil activities. Red Bull's sponsorships include Formula One motor-racing, rallying, biking, surfing and skateboarding. And, of course, it supports Yves Rossy, the "Jetman" who leaps from aircraft and helicopters to fly with his own jetpack.

These and sponsorships by other brands are all part of the marketing message that energy equals excitement. "Brands want to associate themselves with physical activities," says Pearson. "It's not just about staying awake. It's about thrills and adventure."

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SUSTAINING CUSTOMER INTEREST AND LOYALTY IS DIFFICULT
GARETH PEARSON

OUTDOOR

At home out there

Township wall advertising could become the fastest-growing outdoor market over the next five years, according to Keys Communications MD Anisa Kale.

The company, founded by Kale, specialises in placing advertising on the walls of homes in townships around the country.

It has secured 1 600 sites in all nine provinces, but mostly in the three metropolitan areas of Johannesburg, Cape Town and Durban.

"We only really utilise 20% of our sites at any given time," she says. "It's a slow burn as we demonstrate to advertisers that the platform works for their brands, but it's growing."

Since launching in 2009, Keys has attracted clients such as Nokia, Nedbank, SuperSport, Premier Foods, Coca-Cola, Lafarge Cement and the University of Johannesburg.

In an industry (outdoor) estimated to be worth around R1,6bn, township wall media is still a tiny portion — less than 1%.

"We currently have around 70% of the market share in this subsector but still don't scratch the surface of the overall outdoor market," Kale says. "But I think in the next five years we can grow the subsector's share to 7% of outdoor media."

The company is now diversifying to include branding on bicycles and tuk-tuks operated by Lebo's Soweto Backpackers & Bicycle Tours.

"In 2014 we'll also be looking at similar (township) wall media in Swaziland, Mozambique and Zimbabwe," Kale adds.

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