

Coke Repositions their Energy Drink (Video Case)

In this mini-case, you will review the repositioning efforts of Coca-Cola in Australia with their energy drink branded "Mother Energy". But was this the right choice: should they have moved to introduce a new brand instead?

About Mother Energy and Their Product Launch

Coca-Cola launched their new Mother Energy brand into the Australian market in 2006. The firm was struggling to compete in the growing and now lucrative energy drink market against the dominant competitors of V and Red Bull.

Coke planned that Mother Energy would be able to win a substantial market share, even though it was a late entrant. The launch campaign was very professional. The TV commercial had similar elements of the Madagascar movie (which was current at the time), Coke leveraged their retailer relationships and achieved a high level of retailer up-take for the new product along with significant in-store promotion.

The product itself was designed to appeal to the youth culture. The packaging of the can resembled a tattoo and the brand name "Mother" was designed to sound tough, being a variation of a popular swear word in movies. However, the sales of Mother Energy were disappointing for Coca-Cola.

Despite a good initial period of sales, the level of repeat sales was not as strong. After investing in market research to identify the consumer barriers, the company decided to relaunch and reposition the product in 2008. This followed a complete reinvention of the taste/formula.

Apparently the most significant issue with the target market was that the drink was not very tasty. As part of the relaunch and repositioning, Coca-Cola had to shift the product from the target market's inept set and encourage them to re-trial the product.

This required an open two-sided message approach, as highlighted in the following relaunch TV commercial. The new can, which doubled in size, carried the message "New Mother, Tastes Nothing Like the Old One".

Student Discussion Questions

1. Other than deciding to improve and reposition their product, Coke could have decided to withdraw the brand and introduce a new brand. Outline the advantages and concerns of each approach.
2. Why do you think that Coke decided to persist with the Mother Energy brand, particularly when it had been placed in the inept set by many in the target market?
3. Once a product is placed in the inept set by the majority of a target market, how can a firm move it back to the evoked set (that is, what tactics should it employ)?
4. Review their relaunch TV commercial. How important is it that their communication adopted a two-sided message approach? How important was it to use humor? Is this a suitable ad, or would there be an alternative approach?