



# CASE STUDY: SLOW COW

WRITTEN BY: GWEN KITIWANO & BROCK TIBENSKY

## Case Summary

A few years ago, the energy-drink product category was introduced into the market and the population seemed all for it. It was an alternative for those who were not fond of the coffee trend whether it were for its taste or simply for its main component, caffeine. Presently, we are able to identify the companies that have succeeded in the energy-drink market, companies such as: Red Bull, Jolt, Monster and Rockstar. However, now there is an “anti-energy” or relaxation drug category that is gradually maneuvering its way into the market. Whilst, energy have appealed to those seeking an increase of energy throughout their day, anti-energy drinks promote a more relaxing substitute for those who would prefer a more stress free experience. These new anti-energy drinks are filled with ingredients such as chamomile, melatonin, valerian root and/or L-Theanine, all known for their calming effects.

One Canadian company that is slowly making its way into the anti-energy drink market is: Slow Cow. Originating from Quebec, Slow Cow hit store shelves marketing themselves as anti-energy drinks and competing themselves amongst the well renown energy drinks. The name is a parable to Red Bull’s signature logo of two bulls locking horns. Subsequently, Slow Cow had to redesign its logo due to its strong similarity to Red Bull’s now, the cans feature a cow relaxing on the ground. The product is currently available in a range of retailers throughout Canada, including 7-11, Metro and Giant Tiger. Slow Cow is working on expanding their brand throughout the world and has just recently, in 2013, released their product in Brazil.

Slow Cow’s motto is “Stay Cool”, their product is designed to improve concentration, memory and learning capacities without inducing sleepiness. In order to appeal to consumers, the drink contains no calories, no caffeine, no sugar and no preservatives. But what it does contain are natural ingredients that enables the drink to deliver its promised benefits. Some of these benefits include, reducing nervousness, improving the brain’s capacity to concentrate, learn and memorize and increase cerebral levels of dopamine (neurotransmitter responsible for pleasure).

Unfortunately, these benefits have not been completely verified by scientific professionals. Therefore, in order to succeed experts predict that Slow Cow has to live up to their promises. To summarize, Slow Cow’s commercial success is highly dependent on their consumer’s opinion. According to statistics, consumers seem to be grasping Slow Cow’s concept of an anti-energy drink as opposed to energy drinks, with sales of 1.2 million cans within the span of eight months. It is apparent that consumers are willing to try to product but, if the drinks do not meet their

personals needs, it is not likely that they will continue to purchase it.

In addition, a large hindrance of Slow Cow's is that of the entrance of other energy-drink companies into the anti-energy category. For instance, if Red Bull were to decide to release an anti-energy drink in contrast to their already famous energy drink, consumers would be more keen to purchase Red Bull's products over Slow Cow's due to the fact that, a large number of consumers are loyal to their brand. Subsequently, this could induce Slow Cow's company into an unfortunate quick decline.

## Questions

1. WHERE ARE ENERGY AND ANTI-ENERGY DRINKS IN TERMS OF THE PRODUCT LIFE CYCLE? WHAT ARE THE MARKETING IMPLICATIONS THAT RELATE TO THAT POSITION IN THE LIFE CYCLE?

### *Energy Drinks*

To begin, in terms of stage in the product life cycle theory, the energy drinks are in the maturity stage. We're going to use Red Bull as our example since it is Slow Cow's primary competitor in the energy drink category. We are able to identify that energy drinks are in the maturity stage of the product life cycle by determining their marketing implications. Companies that are in the maturing stage are distinguished by the deceleration of total product sales. This does not mean that the company is near its decline, this simply means that the company's sales remain stagnant and that the company has to innovate new products/services with the intentions of increasing future sales. As a whole, energy drinks have been in the market for a while now and consumers have had the opportunity to try their products and for the most part, have either continued to repurchase them because, they cater to their needs or have found an alternative. Taking Red Bull as our example, the of sales of Red Bull between 2012 and 2013 amounts up to an approximate increase of \$483 million dollars in comparison to just a few years back where Red Bull's sales between 2010 and 2011 were a mere increase of \$100 million.

We believe that the reason why Red Bull was able to increase their sales in the past year, was due to a marketing strategy that we call market modification. First and foremost, Red Bull was able to identify a rising trend in consumers that being that consumers seem to be more health conscious nowadays. Marketers would call this, repositioning the product. In 2012, Red Bull released a new product called: Red Bull Total Zero. Red Bull Total Zero still acts as an energy drinks but, without the calories and sugar. By doing this, Red Bull was able to appeal to

another sector of consumers therefore, would aid in increasing their sales. During that same year, Red Bull also released another product called: Red Bull Editions. Red Bull Editions offer the same benefit of a normal Red Bull energy drink with the option of three different flavors: Cranberry (the Red Edition), Lime (the Silver Edition) and Blueberry (the Blue Edition). This is also another example of product modification due to Red Bull's ability to identify consumer needs and catering to them. What we assumed happened was that a lot of people weren't a fan of the Red Bull taste and Red Bull responded to this by conceiving the Red Bull Editions. These new products were innovated in order to attract new consumers to the brand. Thus, one of the reasons why they are in the maturity stage.

Another characteristic that we are able to identify in the energy drink category is the elimination of insignificant competitors. Products that are able to sustain themselves in the maturity stage usually have minimal competition since for the most part, they have reached their decline. Red Bull, Monster, Jolt and Rockstar seem to be the primary energy drinks that consumers seem to repurchase. Rarely, will we see any other energy drinks on grocery shelves. We are unable to precisely predict the duration of a company's product in the maturity stage of the life cycle due to the spontaneous nature of the marketing world. In order to remain in the maturity stage and to increase sales, energy drink companies must constantly innovate and market their products in a strategic manner.

### *Anti-Energy Drinks*

As for the case of the anti-energy drinks, they are in the growth stage of the product life cycle. The anti-energy drink category was introduced to the market only three years ago thus, it is still considered an infant market. Products that are in the growth stage are characterized by its quick increase in sales. For instance, Slow Cow sold a whopping 1.2 billion cans in eight months. Since a lot of consumers are new to the idea of an anti-energy drink, surprisingly a lot of them seem to be willing to try it hence, increasing sales within a short period of time. If people are satisfied with the product, they will most likely repurchase it. Making the growth stage a crucial stage for the survival of the product when it hits the maturity stage.

Another characteristic to anti-energy's position in the growth stage is the changes that are constantly being made to improve, market the product appropriately with the purpose of attracting consumers and to differentiate themselves from its competitors. An example of this is when Slow Cow changed their logo, from two relaxed cows beside each other to one relaxed cow (refer to Image 1 and 2). The reason behind this change was due to the large similarity to Red Bull's logo of two bulls locking horns (refer to Image 3).



Image 1



Image 2



Image 3

It is essential for companies to gain as much distribution for the product as possible. In terms of retail, products in the growth stage will be strongly competing for shelf space in as many stores as possible. The anti-energy drink category in particular will want to gain as much shelf space in order to compete with their energy drink rivals. For instance, Slow Cow is gradually making themselves known in different countries around the world such as: the United Kingdom, Ukraine, Scandinavia, South Korea, Bolivia, the United States and Brazil. Slow Cow has already made its way into Canadian retail stores and just recently opened their first store in Brazil. Slow Cow is marketing themselves to an international audience in order to increase their numbers in consumers and to create brand loyalty on a worldwide platform.

## 2. IF YOU ARE A MARKETING OR BRAND MANAGER FOR SLOW COW, WHAT SHOULD BE YOUR FOCUS IN TERMS OF GROWING THE BRAND?

If I was in the position of a marketing or brand manager for Slow Cow, my primary focus in terms of growing the brand would be to perhaps use market modification strategies. For instance, Slow Cow's promise to its consumers is "to soothe the mind and the body", to relieve consumers of their daily stress and anxieties. If Slow Cow were to increase usage then, it may possibly appeal to new consumers. An increase of use situation that Slow Cow could introduce to their product is that instead of smoking or using drugs as an outlet for stress, consumers could turn to Slow Cow in order to receive the same stress-free feeling. This would serve as a healthy alternative to smoking/drug use and therefore, would increase consumer's well-beings. Another thing that Slow Cow could do is what we call, product repositioning. According to my research, Slow Cow doesn't have a focused target market in which they focus their promotions towards. Instead of reaching to a general market, Slow Cow could concentrate on a new and more specific market in order to increase their sales.

### 3. WHO WOULD BE A KEY TARGET MARKET FOR SLOW COW?

In my opinion, a key target market for Slow Cow would be students. More specifically, university/college students. Although, high school students can experience the same amount of stress as university/college students, older students tend to have more money than those who are still in high school. Of course, the cases vary per student but for the grand majority, university/college students are keener to have more money. A lot of students suffer from the daily stress of school work and often turn to energy drinks in order to sustain themselves throughout the day. Whether it be making it through a lecture without falling asleep or staying up late to finish an assignment, students will turn to energy drinks for supplementary “energy”. In order for Slow Cow to reach this specific target market that their competitors have already impacted, they must promote the fact that they are a healthier alternative to energy drinks. That their product promises to improve the brain capacity to concentrate, learn and memorize thus, leading to a healthy improved schooling experience.

### 4. WHAT HAPPENS IF AN ESTABLISHED ENERGY-DRINK COMPANY DECIDES TO ENTER THE ANTI-ENERGY SPACE? HOW DOES THE MARKETING GAME CHANGE FOR A COMPANY LIKE SLOW COW?

If an established energy-drink company were to enter the anti-energy space this would be extremely harmful to small companies like Slow Cow. Ultimately, it could lead to Slow Cow’s quick decline. The reason why this would hinder Slow Cow’s company to grow is since, it is already an established energy-drink company, and once again we’re going to take Red Bull as an example, it most likely to have consumers who are already loyal to the brand. Consumers who are loyal to Red Bull have gained their trust and are more likely to try new products coming Red Bull over any other products from competing brands.

While Slow Cow is in the growth stage and still trying to gain consumers and promote their product, Red Bull would simply have to invest a substantial amount of money into the advertising and promotion of their new anti-energy product and because they have such a large pool of consumers who are loyal to them, the duration of their growth stage would probably be short and they would quickly reach the maturity stage. Subsequently, this could potentially even eliminate Slow Cow from the anti-energy drink category.

The way the marketing game would change for a company would Slow Cow is that they would have to quickly analyzing the risks and determine what

strategies should be used in order to counter its new competitors. Since Red Bull would be in the same anti-energy drink category as Slow Cow, they now coexist on the same playing field. A few of the different strategies that Slow Cow could use in order to sustain themselves against the new competition are:

- To catch a rising trend in consumers and changing the value offered: Add more health benefits to consuming the Slow Cow drink
- Reaching a new market: Targeting business employees who can suffer from stress. This would not be a bad idea since, a lot of business workers generate a considerable amount of income.
- Reacting to a competitor's position: This is one of the main strategies in which companies will pursue when a new competitor enters their market. What Slow Cow could do if Red Bull were to enter the anti-energy market is to focus on a characteristic that would distinguish their brand from their competitors in the anti-energy sector.

To conclude, the entrance of an already established energy-drink company into the anti-energy space is extremely dangerous for small companies like Slow Cow. If this were to ever occur, it would be interesting to see how Slow Cow would react to its huge competitor. Our beliefs are that with the current popularity of energy drinks, Slow Cow's product will remain in the growth stage of the anti-energy drink category for an extended amount of time until they are able to breakthrough. Whereas, those who have established themselves in the energy drink category will remain in the maturity stage and will continue to innovate with the purpose of eliminating their competitors and maintaining their presence in the market for as long as they can.



## Bibliography

(2013). from Red Bull Web Site: <http://energydrink.redbull.com/>

(2013). from Slow Cow Web Site: <http://www.drinkslowcow.ca/>

*The Top 15 Energy Drink Brands.* (August 23, 2013). from Energyfiend Web Site: <http://www.energyfiend.com/the-15-top-energy-drink-brands>